

SECTION 285.305
Subpart (f)(1)
Labor Contract 738
Test Year Ending December 31, 2012
Utility: MidAmerican Energy Company
Docket No. 13-XXXX

Individual Responsible: Richard Lovig

CONTRACT AGREEMENT

between

MIDAMERICAN ENERGY COMPANY

and

**UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING, ENERGY,
ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL UNION,
AFL-CIO, CLC AND ITS LOCAL AFFILIATE USW LOCAL 738**

For South Dakota Craft & Clerical Employees

APPLICABLE IN COMPANY'S BALTIC, BRANDON,
CENTERVILLE, COLTON, CORSON, DELL RAPIDS, ELLIS, FLANDREAU,
HARRISBURG, HARTFORD, LENNOX, MONTROSE, RAMONA,
SALEM, SIOUX FALLS, TEA, VALLEY SPRINGS, AND WORTHING COMMUNITIES

Effective October 1, 2010 - September 30, 2013

Extension

October 1, 2013 – September 30, 2017

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AGREEMENT

THIS AGREEMENT, dated October 1, 2013, is a four year extension of the agreement dated October 1, 2010, , by and between **MIDAMERICAN ENERGY CO.**, its successors and assigns, hereinafter referred to as the "Company," and **UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING, ENERGY, ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL UNION, AFL-CIO, CLC AND ITS LOCAL AFFILIATE USW LOCAL 738**, hereinafter referred to as the "Union".

THIS AGREEMENT amends and replaces the Agreement entered into by and between the Company and the Union effective October 1, 2007.

WITNESSETH: That for the purpose of facilitating the peaceful adjustment of differences that may arise from time to time and promote harmony and efficiency to the end that the Company, the Union and the general public may mutually benefit, the Company recognizes the Union as the collective bargaining agent in matters relating to rates of pay, hours and other conditions of employment of all employees covered by this Agreement.

THIS AGREEMENT, including the exhibits attached hereto, constitutes the entire collective bargaining agreement between the parties. It is therefore, understood and agreed that all past or present, oral or written, expressed or implied agreements, addendums, practices, or understandings between the parties not specifically included in this Agreement are of no further force or effect.

Both the Company and the Union acknowledge that during the negotiations in this Agreement that each party had the unlimited right and opportunity to make requests and proposals with respect to any subject or matter not removed by law from such negotiations and that the understandings and agreements arrived at between the parties are set forth in this Agreement.

ARTICLE I RECOGNITION

- 1.1 The Company recognizes the Union as the exclusive collective bargaining agent in matters with respect to rates of pay, hours and other conditions of employment of the Company's craft and clerical (as defined by the National Labor Relations Board on December 22, 1976, in Case No. 18-RC 11102) employees working at the Company's gas properties, located in Baltic, Brandon, Centerville, Colton, Corson, Dell Rapids, Ellis,

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Flandreau, Harrisburg, Hartford, Lennox, Montrose, Ramona, Salem, Sioux Falls, Tea, Valley Springs and Worthing communities in South Dakota or out of such locations on temporary work assignments excepting, however, those supervisory employees with authority to hire, discharge, direct, or in other ways effectively recommend changes in the status of other employees, such as all superintendents, assistant superintendents, supervisors, department heads, engineers with special training, managerial employees, professional employees, sales and sales support employees, confidential employees, guards, supervisors, and all other employees as defined in the Act.

ARTICLE II MANAGEMENT RESPONSIBILITIES

- 2.1 The Union recognizes that the right, in accordance with the provisions of this Agreement, to employ, promote, discipline and discharge employees (for just and proper cause) and manage the business and property of the Company, to direct the working forces, to affect changes not specifically provided for in this Agreement, and to plan and carry out operations are reserved by and shall be vested in the Company. The Company shall have the right to exercise discipline in the interest of good service and proper conduct of its business.
- 2.2 The Union President and Vice President shall be promptly notified, of any changes in written policy and will be provided written notice of formal discipline and the reason for discipline.

ARTICLE III COMPANY - UNION RELATIONSHIP

- 3.1 The Company agrees that it will cooperate with the Union in its efforts to promote harmony and efficiency among the Company's employees covered hereunder, and that it will do nothing to coerce or intimidate any employees in any manner relative to their Union membership. The Company will not permit discrimination for or against, or interference with, any employee because of Union membership or activity.
- 3.2 The members of the Union, employees of the Company, through their Union, agree that they will individually and collectively perform loyal and efficient work and service, and that they will use their influence and best efforts to protect the property of the Company and its services to the public, and that they will cooperate in promoting and advancing the welfare of the Company at all times during the life of this Agreement.
- 3.3 The Company and the Union, including their individual agents and members agree that there shall be no discrimination, interference, restraint, coercion or annoyance against any

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employee because of their membership or non-membership in the Union or because of participation or non-participation in Union activities.

- 3.4 The Company and the Union jointly and mutually declare it to be their purpose and intention to carry out in good faith the provisions of this Agreement and to engage in no subterfuge for the purpose of defeating or evading the provisions thereof.
- 3.5 It is expressly understood and agreed that the services to be performed by the employees covered by this Agreement pertain to and are essential to the operation of a public utility and to the welfare of the public dependent thereon, and in consideration thereof, and of the Agreement and conditions herein by the Company to be kept and performed, the Union agrees that under no conditions will the employees covered by this Agreement, or any of them, be called upon or permitted to cease or abstain from the continuous performance of the duties pertaining to the positions held by them under the Company, and the Company agrees on its part to do nothing to prevent such continuity of performance of said employees, insofar as such performance is required in the normal and usual operation of the Company's property, and that any contract dispute that may arise between the above mentioned parties should be settled in the manner herein provided.
- 3.6 All employees that are qualified to use and/or operate Company-owned equipment or tools may be required to do so at any time that the work situation requires such equipment and/or tools with or without the supervisor being present.
- 3.7 The Company shall not request or instruct any employee to go through a picket line of a striking Union except that this section shall not apply to strikes arising out of jurisdictional disputes between Unions. The entire provision does not apply to emergencies.
- 3.8 **(REVISED 2013) The Company will check off monthly dues or service charges, including, where applicable, initiation fees and assessments, as designated by the Union's International Secretary-Treasurer, effective upon receipt of individually signed voluntary check-off authorization cards. The Company shall within ten days remit and all amounts so deducted to the Union's International Secretary-Treasurer with a completed summary of USW Form R-115 or its equivalent. If the Union wishes to change the formula of withholding it shall negotiate that change with the Company. Changes to the percentages, caps or cents per hour withheld are permitted with 60 days written notice.**
- 3.9 **PAC:** During the life of this Contract, the Company agrees to deduct physical Union employees' contributions to the USW PAC from the pay of each employee who gives the Company written authorization to do so in the form and manner required by law, and the Company agrees to pay over the total amount of such employee contributions deducted to the Financial Secretary of the Union each month, giving the Secretary therewith an itemized statement setting forth the names of the employees and the amount deducted for

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each. The Union will furnish the Company a certified list of the Union members, presenting such authorizations, together with a designation as to the amount of regular monthly contributions from each member.

- 3.10 The Company will permit employee representatives designated by the Union to participate in contract negotiations. Those individuals selected by the Union, and who are agreed upon by the parties, will not suffer loss of regular pay or benefits for time spent in negotiating sessions with the Company not to exceed twenty working days.

Any shift worker that is appointed to the Union's negotiating committee shall be placed on Monday through Friday day schedule during such time as negotiations with the Company take place. Their rate of pay will not be changed while participating in negotiations.

ARTICLE IV EMPLOYEE CLASSIFICATIONS (JOB TITLES AND WAGE RATES)

- 4.1 The rates of pay and respective job classifications of employees covered hereby shall be as shown in Exhibit "A", attached hereto and made part of this Agreement.
- 4.2 Basic job descriptions of each job classification included in Exhibit "A" will be maintained by the Company and will set forth the essential responsibilities and requirements of each job classification. The qualifications required for each job classification shall be determined by the Company and included with the job descriptions. Job write-ups shall not be subject to change for the term of the contract unless mutually agreed to by the Union and Company. Employees must establish that they are competent and qualified in order to be considered as eligible for any of the job classifications set forth in Exhibit "A". The Company will make all determinations as to each employee's competence and qualifications in accordance with Article XX, Section 20.8. Such determination may be established by any combination of special schooling or training, written examinations, experience and demonstrated competence. The Company shall have exclusive jurisdiction and discretion in determining the number and classification of personnel who may be assigned to work together as crews or in conjunction with one another.

Demonstrated incompetence may result in an employee being removed from a job classification which the employee is unable to capably perform. Also, the Company may at its discretion administer tests to any employee in any job classification for purposes of measuring skills, aptitudes, training requirements, and special testing for Company test validation purposes.

- 4.3 **"Regular Full-Time Employees"** are those who have been employed by the Company or its predecessor for longer than the six (6) month probationary period and are not

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employed on a temporary basis. The date of employment of regular full-time employees, who have satisfactorily completed a probationary period of employment, shall be the last date upon which the employee entered the Company's full-time employment.

Regular full-time employees working on seasonal construction crews may be excluded from the on-call roster.

- 4.4 **"Regular Part-Time Employees"** are employees who normally work less than forty (40) hours per week on a regular basis, but who may be assigned to work full-time during the temporary absences of other employees. "Part-time" employees shall receive seniority, wage length of service credit, holiday, sick leave, and vacation on a pro rata basis.

Pro rata basis calculations for computing holiday, sick leave, and vacation will be based on the ratio of hours reported to full time hours in the pay period that the holiday, sick leave or vacation is taken (refer to Exhibit "H" for calculations).

- 4.5 **"Probationary Employees"** are those employees who are employed with the understanding that they will become regular full-time or regular part-time employees, provided that during the six (6) month probationary period the Company finds that they have the requisite ability and qualifications. During the probationary period the Company may lay off, terminate, or rehire such probationary employees. Employees retained by the Company after their probationary periods shall be considered as regular employees and shall be immediately credited with six (6) months of seniority for regular full-time employees and the appropriate prorated seniority for regular part-time employees.

- 4.6 **"Seasonal Gas Operations Employees"**
Seasonal gas operations employees (Seasonal Construction Technicians and Seasonal Inspectors) will be utilized to augment the regular full-time workforce in the area of construction. The number of Seasonal Construction Technician employees will not exceed 40% of the regular full-time workforce covered under this Agreement. The utilization of seasonal employees is intended to reduce the Company reliance upon contractors and enhance the Company's ability to grow the business.

Seasonal Construction Technicians will work under the direction of a regular full-time employee in the area of construction consistent with the applicable description. Seasonal Inspectors will perform responsibilities consistent with the applicable job description.

Normally, an employee shall not be classified as a seasonal gas operations employee for more than 10 (months), except that this time period may be extended an additional 1 (one) month by the Company should additional time be needed to complete a project or scheduled projects not yet completed. The Company will notify the Union President of the name of the employee, location, and reason for such extension. Any additional

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extension of employment for such operations employee may be made by mutual agreement between the Company and the Union.

Seasonal gas operations employees will accrue seniority based upon actual full days of active service.

Seasonal gas operations employees will be covered by the Agreement between the Company and Local 738 with the following exceptions:

1. Seasonal gas operations employees are normally hired to work during the gas construction season. Seasonal gas operations employees will undergo a 6 month probationary period. The probationary period is not to exceed two seasons to complete.
2. One week notice shall be given to seasonal operations employees in the event of layoff. Seasonal gas operations employees shall have no bumping rights.

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3. The layoff of seasonal gas operations employees in no way limits the company's ability to lease or contract work. Article XI, Section 11.1, Subcontracting has no applicability with regard to seasonal gas operations employees.
4. Seasonal gas operations employees will be available to work overtime as workload dictates.
5. Seasonal gas operations employees shall not accrue vacation.
6. Seasonal gas operations employees shall not receive Personal Holidays.
7. With the exception of medical coverage, pension and savings plan, seasonal gas operations employees shall not participate in any of the following: dental, vision, life insurance, long term disability, HCRA/DCRA. The waiting period for medical coverage is only applicable in the first year of seasonal employment.
8. Seasonal gas operation employees, after completing their 6 month probationary period, shall receive 24 hours sick leave per contract year which will be cumulative. To be eligible for the next season's sick leave, they must return to work from a layoff and work one full (40 hour) week.
9. Seasonal Construction Technicians who report for work at their regular starting time without having previously been notified not to report shall be compensated for not less than two (2) hours work at the employee's regular rate.
10. The Company may send Seasonal Construction Technicians home when inclement weather makes it unsafe to perform normally assigned work and/or no productive work is available.
11. Job Site Reporting: Definition - Job site reporting is defined such that employees report to a job site at the regular start time and leave from the job site at the regular quitting time each day.
 - a. Utilization Guidelines –
 - Employees in seasonal job classifications and others assigned to seasonal construction.
 - A majority of employees assigned to a particular job site reporting project are willing to volunteer for such assignment.
 - Locations where necessary materials, tools, and equipment can be secured and with adequate space for employees to park and secure personal and/or company vehicles.
 - Work locations within a thirty-mile (30) radius of the employee's regular reporting location.
 - Two working days minimum notice.
 - b. Compensation -
 - Employees job site reporting will receive a per diem equal to one hour of straight time compensation.
12. If Christmas Eve Day falls on a Sunday or if a holiday falls on a Saturday,

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seasonal employee will receive a floating holiday. Holidays that fall on a Sunday are observed on the Monday after the holiday.

The seasonal employee may use any floating holidays earned prior to seasonal layoff or be paid an equivalent rate for this floating holiday upon layoff.

- 4.7 **"Temporary Employees"** are employees hired to work during a period when additional work requires temporarily augmented forces, or in the event of an emergency. The Company may, at its option, lay off or dismiss "temporary" employees at any time.
- a. Normally an employee shall not be classified as a "temporary" employee for more than six (6) months, except that this time period may be extended an additional two (2) months by the Company should additional time be needed to complete a project or scheduled projects not yet completed. The Company will notify the Union President of the name of the employee, location, and reason for such extension. Any additional extension of employment for such temporary employee may be made by mutual agreement between the Company and the Union.
 - b. Temporary employees who become probationary and then regular full-time employees or regular part-time employees without a break in continuous service, shall have as their employment date the date on which they first entered the employ of the Company as a temporary employee.

- 4.8 The provisions of this Agreement shall apply to all "regular full-time employees" and "regular part-time employees", as defined above, and work performed by them in the various classifications shown in the attached Exhibit "A".

The provisions of this Agreement do not apply to "temporary" or "probationary" employees, as defined above, except as to hourly wage rates as shown in Exhibit "A".

4.9 Temporary Foreperson (Seasonal)

Background

The job Write-Up for Temporary Foreperson (Seasonal), dated January 2001, states; "Performs and is compensated for Foreperson duties and responsibilities when performing Foreperson duties during the period of seasonal construction. At other times, may be assigned and perform the duties of the most recently held former position: Operations Technician (Construction), and Construction Technician. For such assignments, compensation shall be consistent with Exhibit A rates."

Temporary Foreperson (Seasonal) shall be compensated at the applicable wage for paid time off under the guidelines below:

Short Term Assignment:

Short-term assignments are considered to be one month or less in duration with management approval. Short-term assignments are considered to end when the Foreperson that is normally assigned to the crew returns and assumes the duties of the Foreperson.

1. When the Temporary Foreperson (Seasonal) is assigned short-term to the duties of the Foreperson by the Company, the Temporary Foreperson (Seasonal) will be

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paid the applicable Foreperson rate for time worked until reassigned to the duties of the Operations Technician.

2. For a short-term assignment, in order for a Temporary Foreperson (Seasonal) to be eligible for Foreperson rate of pay for paid time off the employee must satisfy a 10-work day qualification period in the position of Foreperson. The 10-work day qualification period must be uninterrupted consecutive working days as a Foreperson excluding weekends not worked. An observed holiday, inclement weather layoff or a weekend worked within the qualifying period shall count as a day worked in the qualification period.
3. If any sick or unscheduled vacation days are taken during the qualification period, the period is considered interrupted and the qualification period shall terminate unless previously agreed to by the company to exempt the period off.
4. Any paid time off that occurs during the 10 work day qualification period, the Temporary Foreperson (Seasonal) will be paid at the Operations Technician rate of pay with the following exception, a Temporary Foreperson (Seasonal) will be paid at the Foreperson rate of pay for a holiday when the Temporary Foreperson (Seasonal) has been assigned and performs the duties of Foreperson on both the day preceding and the day following the applicable holiday.
5. After satisfying the short-term assignment 10-day qualification period, the Temporary Foreperson (Seasonal) will be paid for all paid time off at the Foreperson rate of pay until the Temporary Foreperson (Seasonal) is relieved of the duties of Foreperson and reassigned to the Operations Technician duties by management.
6. After the end of a short-term assignment and under the direction of management, the employee will return to the Operations Technician rate of pay and will be required to re-qualify for any future short-term assignments to the Foreperson position during the construction season.
7. In the event a short-term assignment happens to extend over a one month period, with no advance knowledge of the company, the Temporary Foreperson (Seasonal) will not be given back pay for any of the qualifying days paid for as an Operations Technician.

Long Term Assignment:

Long-Term assignment is considered greater than one month in duration and the Temporary Foreperson (Seasonal) has been assigned to perform the duties of a Foreperson and has a seasonal construction crew assigned to the employee.

1. When the Temporary Foreperson (Seasonal) is assigned long-term to the duties of a Foreperson by the Company, the employee will be paid the applicable Foreperson rate for time worked until assigned to the duties of the Operations Technician.
2. If the assignment by management is anticipated to be a longer-term assignment, the employee will not be required to serve a qualification period and will be paid

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during the assignment as a Foreperson for all paid time off until the crew assigned are on layoff (both seasonal or inclement weather) or the Temporary Foreperson (Seasonal) is relieved of his duties by the Company.

3. If anytime in the opinion of management the services of the Temporary Foreperson (Seasonal) are not needed as a Foreperson, the employee will be returned to the Operations Technician rate of pay.

ARTICLE V DISCIPLINE

- 5.1 The Company shall have the right to discipline and /or discharge for just and proper cause. All discipline will be issued in a timely manner. The following shall constitute absolute causes for discharge, namely:
 - a. Drinking and/or the use of non-medical drugs on the job;
 - b. Job-related dishonesty;
 - c. Absolute or willful neglect of duty;
 - d. Abuse of sick leave;
 - e. Serious insubordination.
 - f. Positive alcohol or drug test.
- 5.2 **(NEW 2013) The company may fully utilize Automated Vehicle Locating (AVL) equipment, including but not limited to global positioning system, driver behavior data and location information for improved emergency response, fleet maintenance, operational efficiency and disciplinary purposes. This includes all successor equipment that may be installed at the discretion of management. The company shall give the Union no less than 30 days' notice prior to installation and activation of any applications.**

ARTICLE VI GRIEVANCE PROCEDURE

- 6.1 Should any grievance arise affecting the interpretation, alleged violation, or the true intent and meaning of the provisions of this Agreement (including the implementation of any arbitrary or capricious action), such grievance shall be processed in accordance with the procedures outlined in Section 6.2 below.
- 6.2 All grievances shall be presented as soon as practicable after the occurrence on which it is based last occurred, but in no event later than fifteen (15) work days thereafter. The failure to submit a grievance in writing within such a period shall constitute a bar to further action thereon, unless it is shown that neither the employee, nor the Union, knew that the cause of the grievance existed.

NOTE: Days as used under this heading shall not include Saturdays, Sundays, or holidays as specified in this Agreement. "Employee" as used under this heading shall mean, "employee" or "employees".

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The verbal grievance shall be discussed at a pre-arranged meeting by the aggrieved employee (who may be accompanied by one authorized Union representative) and the employee's immediate supervisor. If the verbal grievance cannot be resolved between the two parties, the employee may put the grievance in writing and proceed to Step 1 of the Grievance Procedure.

Grievance Procedures:

Step 1. The written grievance shall first be discussed by the aggrieved employee (who may be accompanied by authorized Union representatives) with the employee's immediate supervisor to settle any differences. The employee's immediate supervisor shall respond in writing to the employee within five (5) work days of hearing the grievance. In case of failure to agree in this manner, the points of difference may be submitted by either party to Step 2 within five (5) work days following the response of the immediate supervisor.

Step 2. The Operations Manager and/or designated representatives, and the President of the Local Union or designated representatives, shall meet and attempt to settle the grievance. In case of failure to agree at this step within ten (10) work days of receipt of the grievance under this step, the grievance may be submitted in writing, dated, and signed by the employee, and may be referred by either party to Step 3 within ten (10) work days following the Company's response to the Union.

Step 3. The appropriate functional manager and/or their designated representatives, and the International Representative of the Local Union or their designated representatives, shall meet and attempt to settle the grievance. An international representative of the USW or designated representative, may be present at this step to assist the Local Union. In case of failure to agree at this step within fifteen (15) work days of receipt of the grievance under this step, the grievance then may, at the request of either party, be submitted within an additional fifteen (15) work day time limit to arbitration in accordance with the procedure outlined in Article VII.

6.3 The time limits specified in any of the foregoing steps may be extended with respect to the particular grievance by mutual consent of the parties hereto in writing.

6.4 Should the aggrieved party, or any of the employee's representatives, fail to appeal from any of the foregoing steps to the next higher level, within the time limits specified, as the same may have been extended by mutual agreement, the grievance shall be deemed to have been satisfied.

6.5 If at any time the Company believes itself aggrieved in connection with this Agreement, it may present its grievances to the Union. If no settlement or adjustment of the matter is reached within thirty (30) days, the Company may refer the matter to Arbitration.

**ARTICLE VII
ARBITRATION PROCEDURE**

NOTE: "Days" as used under this heading shall not include Saturdays, Sundays or holidays as specified in this Agreement. "Employee" as used under this heading shall mean "Employee" or "Employees".

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- 7.1 The provisions for arbitration under this Agreement only apply to those matters which are referred to in subparagraph 7.1.a. below:
- a. Any grievance or difference involving the alleged unjust discipline, or the interpretation, or alleged violation of any of the provisions of this Agreement.
- 7.2 To select an arbitrator, the parties shall request the Federal Mediation and Conciliation Service to furnish a list of names of seven (7) arbitrators. Within a reasonable amount of time, but not more than twenty (20) calendar days after receipt of this list, the parties shall alternately strike names from the list until six (6) names have been stricken, with the first strike being decided by a flip of a coin. The remaining named person shall be the arbitrator. The arbitrator shall render a written decision to both parties as promptly as possible after the close of the hearing. The decision of the arbitrator shall be final and binding on both the Union and the Company.
- 7.3 The Arbitrator to be appointed in accordance with the foregoing provisions shall have no power to alter, amend, annul, or disregard any of the terms or provisions of this Agreement.
- 7.4 Each party shall bear its own expenses of the arbitration except for the personal expenses and fee of the arbitrator and the cost of the meeting rooms which expense shall be divided equally. Specifically, if either party desires a transcript, it shall be at the expense of the party ordering same.
- 7.5 The time limits specified in any of the foregoing procedures may be extended or bypassed by mutual agreement of the parties hereto expressed in writing and signed by the Operations Manager or a designated corporate representative and President or Vice President of the Union.
- 7.6 No employee shall be paid by the Company for any time lost while acting on behalf of the Union during arbitration proceedings.

ARTICLE VIII SENIORITY

- 8.1 Seniority shall mean the right of preference accruing to a regular employee upon the basis of the employee's length of time worked (within the union) subsequent to the first day upon which the employee last entered the regular employ of the company, as modified by sections 4.3, 4.4, and 4.5, or other previous owners of the South Dakota Gas Properties as referred to in Section 1.1, less deduction of any time when seniority does not accrue as set forth in other provisions of this Agreement.
- 8.2 Insofar as practical and consistent with rendering good service, seniority shall apply as follows whenever more than one (1) employee has the requisite ability and qualifications and is capable of performing the work:
- a. Selection of employees for promotion to higher-wage-rated positions within the Union.

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- b. Selection of scheduled working hours for which an employee is qualified shall be based on department seniority.
 - c. Selection of vacation periods.
 - d. For the purposes of layoffs, those employees who perform essentially the same type of work within the same working area will be laid off in the inverse order of seniority as defined herein.
- 8.3 Two (2) weeks notice shall in all cases be given regular employees in the event of layoff.
- 8.4 At least two (2) weeks advance notice will be given to the Company by any employee resigning their employment with the Company.
- 8.5 Employees assigned to part-time work on the basis of seniority or who request and receive approval from the Company for part-time work shall continue to accrue seniority and wage length of service on a pro rata basis.
- 8.6 The Company will, within ninety (90) calendar days after the date of this Agreement, and annually thereafter, prepare a seniority roster of employees covered by this Agreement and copies thereof will be furnished to the Union. Such roster will show:
- a. The names of all regular employees;
 - b. The job classification and location of each;
 - c. The last date upon which the employee entered the Company's regular full-time employ.
 - d. Footnote explanations relative to any periods subsequent to the last date on which the employee entered the Company's regular full time employ when seniority did not accrue.
- 8.7 In the event the Company institutes new training programs necessary for employees to qualify for any new jobs, not excluding jobs created by new machines, the Company agrees that employees within the unit will be given first opportunity to qualify for such training programs before any persons outside the unit are hired to fill any such jobs.

**ARTICLE IX
PROMOTIONS, DEMOTIONS, TRANSFERS, POSTING,
AND BIDDING**

- 9.1 Any bargaining unit employee covered by this Agreement may apply for a posted vacancy by submitting an application (copy to the Union) stating their desire, qualifications and experience. Employees will be considered in the order of their seniority and preferences, provided the Company has determined they are qualified to perform the work of the position in which the vacancy exists. In the event a qualified employee is absent during the entire seven (7) calendar day period subsequent to the posting of the job vacancy, that employee will be given additional consideration for the assignment but in no event will such consideration be granted longer than fourteen (14) calendar days from the original posting.
- a. Promotions shall be based upon seniority, ability and qualifications. Ability and qualifications being sufficient, seniority shall prevail. In determining ability and qualifications, the Company shall give appropriate consideration to such things as

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special training or schooling, written examinations, experience, physical requirements and demonstrated competence in accordance with the Agreement.

- 9.2 Whenever the Company determines a vacancy exists or a new position is created in any classification (within the Union), the Company will post notice thereof for a period of not less than seven (7) calendar days on appropriate bulletin boards, provided that:
- a. Vacancies used in this paragraph shall not include temporary vacancies resulting from: vacations; sickness; leaves of absence; other employee absences of short duration; or when additional work of any nature requires temporarily augmented forces or temporary reassignments; or in the event of an emergency.
 - b. The Company will inform the Union in writing as far in advance as practical of the creation of any new classifications covered in the Union Agreement, and meet with the Union to negotiate pay, hours and other conditions of the new job classifications.
 - c. Employees in classifications subject to call out shall be required to live within a 20 mile radius of the headquarters location. Employees subject to call out who live outside of this radius as of October 1, 2010, will be grandfathered in, but will not remain qualified to continue their employment if they move further away from the head quarters location without company approval.
- 9.3 Within fourteen (14) calendar days after the expiration date, applications received from regular employees of the Company will be considered, the job awarded, and the name of the successful applicant, if any, posted on the same bulletin boards where the job was announced. If the job posting requires testing, the Company will award the job in thirty (30) calendar days. The successful applicant, if any, may not be transferred immediately into the new position, but if not transferred within thirty (30) calendar days after being notified will begin receiving the applicable wage rate of the new position in accordance with Section 9.9 or 9.10.
- 9.4 If the job is not filled by an employee under the jurisdiction of Local 738 within fourteen (14) calendar days after the new job or vacancy is posted, the Company may then hire a new employee to fill the vacancy or, if qualified and interested, select a "temporary" or "probationary" employee to fill the vacancy with the exception of the situation referred to in Section 9.3.
- 9.5 Until the above outlined posting provisions have been satisfied, the Company may fill the vacancy or newly created position on a temporary basis.
- 9.6 When an employee is transferred in accordance with the provisions of Article IX, the employee shall be given a trial period of ninety (90) calendar days in the new assignment. If the employee is unable to efficiently perform the work of the employee's new assignment within such trial period, the employee shall be returned to the employee's former position, and the employee's wage in the position shall be the same as it would have been if the employee had not been assigned for a trial period to another job classification.

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(NEW 2013) 9.6.1: The successful bidder must qualify as a low stress welder, according to the Company's low stress welder qualifications within 90 calendar days of the job award. If the employee fails to pass the test within 90 calendar days of the job award the employee may be disqualified from the welder's position and returned to their former position.

(NEW 2013) 9.6.2: The successful bidder must qualify as a high stress welder according to the Company's high stress welder qualifications within 12 months of the job award. If the employee fails to pass the test within 12 months of the job award, the employee may be disqualified from the welder's position and returned to their former position.

9.7 An employee who has successfully applied for and been placed on a job and who is unable to successfully complete the trial period provided in Section 9.6, shall not be eligible to apply for another job for a period of twenty-four (24) months, unless such time limit is mutually waived by the Company and the Union.

9.7.1 **(NEW 2013) An employee who is hired or promoted into a Welder classification is restricted from bidding into a lower or equally paid classification for 18 months following the date they are fully qualified to weld. This section does not apply to an employee who demonstrates they have a medical or physical condition that prevents them from performing the job. In such a case, the employee would roll back to their previous classification.**

9.8 An employee accepting a higher or lower schedule position in or out of the Union shall have retreat right without loss of seniority to the immediate former position subject to exercising this right within ninety (90) calendar days of start on the new level position. The retreat rights applicable to this provision may be exercised only once in every two years, unless such time limit is mutually waived by the Company and the Union.

9.9 Upon the successful promotion of an employee from a lower rated job to a higher rated job (within the Union) such employee will be reassigned to the higher rated schedule at the wage rate closest to, but not less than, the employee's current wage rate and will then continue to progress through the new progression schedule from that point in time. If the employee has not yet reached the maximum rate of the employee's former progression schedule, the length of time remaining between the employee's last progression increase and the next scheduled progression increase in the employee's old schedule will apply to the new progression schedule.

(NEW 2013) 9.9.1 Foreperson wage. Employees with foreperson experience and being paid at the "after 60 month rate" in their current classification who are the successful bidder for a regular full-time foreperson position shall be paid at the "after 60 month" rate.

9.10 An employee transferring or bumping to a lower rated progression schedule will transfer or bump at the wage rate closest to the employee's present wage rate, but not at a higher wage rate than the top rate for the lower progression schedule.

9.11 All employees must contact their immediate supervisor prior to the start of their regular workday if they will be caused to be absent from work or tardy because of sickness or

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unforeseen emergency which makes it impossible to report to work on time. Failure to report will result in an unexcusable absence for that employee. Excessive absences or tardiness, as determined by the Company, for any reason other than those specifically provided for in this Agreement will result in disciplinary action and possible discharge.

- 9.12 The seniority rights of an employee who is voluntarily absent from work for a period of three (3) full workdays without notifying the employee's supervisor shall be deemed to have been terminated and if such employee re-enters the employ of the company, the employee shall do so as a new employee.
- 9.13 When an employee is temporarily transferred to and actually performs the essential elements of a higher paying position for one (1) hour, or more, in any one workday, the employee will receive the top pay of the higher position, but in no way will the assigned employee receive less than the pay of that employee's regular position. Employees on temporary transfer to lower paying job classifications will not suffer a reduction in pay when so assigned.
- 9.14 When it becomes necessary for the Company to temporarily transfer an employee to another position, the Company will specify which department (for sole purpose of Temporary Transfers, department means the service department and the construction/O&M department) and job classifications are available to do the work and first ask for volunteers; seniority will prevail in cases of multiple volunteers. The Company may at its discretion select a qualified employee on restricted duty for the temporary transfer. When there are no volunteers, inverse seniority will be utilized. Temporary transfers are to be used only in emergencies, vacation fill-ins, short-term illnesses and in cases where the work load requires the transfer of personnel. If the temporary transfer is not the result of a work imbalance, the position will be filled on a voluntary basis. Seasonal Construction Technicians personnel shall be excluded from temporary transfer. A one-day notice will be given to employees being transferred and also to the Union. Normally temporary transfers shall not exceed ninety (90) calendar days in any one (1) year, except:
- a. That the time may be extended by mutual consent of the Company and the Union
 - b. The (90) day temporary transfer requirement will be waived without mutual consent when filling the temporary transfer of the Foreperson vacancy created by the Part-time Gas Trainer.
 - c. If the welder position is selected for temporary transfer to a crew, the welder will be required to also weld when filling a Foreperson position on the crew
- 9.15 **(NEW 2013) When an employee is assigned to perform classroom training as a subject matter expert they shall be paid a 10% premium for the time spent conducting scheduled training. Classroom training includes appropriate time spent preparing for such training. The company shall select and assign the employee to conduct training.**

**ARTICLE X
HOURS - OVERTIME - WORKING CONDITIONS**

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- 10.1 The regular workday and the regular workweek for regular full-time employees shall be:
- a. Eight (8) consecutive hours shall constitute a regular workday and five (5) such days, Sunday through Saturday shall be considered a regular work week.
 - b. The regular workday shall be considered to begin no earlier than 7:00 a.m. nor later than 9:00 a.m., with no less than one-half (1/2) hour nor more than one (1) hour intermission for lunch for all employees except shift workers. The exact time and length of lunch and rest periods as well as the location where they will be taken, will be determined by the Company.
 - c. All employees will be given two fifteen (15) minute rest periods per work day. Such rest period shall be given as near the middle of each half workday as is practical.
 - d. The practices for lunch periods and rest periods will be posted by the Company.
 - e. The Company agrees there shall be no split shifts for Clerical employees.
 - f. The Company has the right to require employees to work overtime if the workload necessitates. After hours, pursuant to seniority, the company will first ask for volunteers, if there are no volunteers, inverse seniority will be used to force the least senior person to work overtime; except, where the overtime work is performed as part of job continuation. The crew/employee performing the work will continue without regard to seniority.
- 10.2 Whenever the Company determines that the nature of the service rendered by the Company to the public necessitates the furnishing of more than five (5) days' continuous regular service per week, the Company may establish additional regular workweeks and work schedules consisting of five (5) consecutive days.
- 10.3 An employee, whose regular working schedule requires regular night work or does not permit the employee to regularly take off Sundays and holidays, shall be designated as a shift worker when fully qualified and trained.
- 10.4 Shifts in the service department will be posted as a fixed shift unless rotating shifts are determined necessary by the Company. The Company will determine and establish the requirements, duties, and work schedules for those service department employees that it will require to be on duty during shift work.
- a. The following shall apply when filling fixed shift vacancies:
 - The employee with the lowest department seniority that is not on call and not on shift will fill in for vacations and short term sick leave.
 - If a shift is vacant for more than 30 calendar days, the employee with the lowest department seniority that is not on shift will fill in until the position is filled and the replacement is fully trained. This individual will be removed from on call.
 - If a shift position is posted and filled, the employee already in that position will continue in that position (unless transferred out of the department) until the replacement employee is fully trained.
 - b. For the purpose of establishing rotating shifts, employees hired after September 1, 1988, in the service department only, will be required to rotate.

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- c. The following shall apply when filling rotating shifts:
 - Upon reinstatement of the rotating shift, all current contract provisions including but not limited to the residency clause and on call would apply for any employee that accepted a fixed shift position without on call.

 - Should the company increase the number of rotating shift employees, such shifts will be filled consistent with current contract provisions.

 - Upon attaining the level of 7 employees rotating, the company will allow the senior department employee on the rotating shifts the option of going off the rotating schedule providing all rotating shift requirements are fulfilled.
 - d. Operations Technicians will be given notice the prior workday of any known changes in their primary duty (construction or service) for the next workday.
- 10.5 a. It is understood that the Company will maintain an on-call roster, and the on-call employee may be called and required to work. Employees, (the primary and secondary on call person as well as other employees subject to callouts), may or may not be the first person called. The company has the right to call based on geographic factors, managing response time, and work load. If calls are worked, by employees between midnight and 5:00 a.m., the employee responding will be excused with pay from the first four hours of the next shift of the same day. If the employee is called within the first four hours, they will be paid two and one-half (2 1/2) times their normal rate of pay. On-call pay is 1.5 hours of straight time wages for each week day and Saturday and two hours of straight time wage for each calendar Sunday or holiday or part thereof on call. On-call pay must be included in an employee's wages for the purpose of determining his or her base rate for overtime.
- As work load dictates and in the case of emergencies, any employee may be called, and, be required to work. Whenever, after completing a regular day's work and being released from the job for that day, an employee is so called back for emergency work, the employee is to be paid for not less than two (2) hours at the employee's regular daily overtime rate (time and one-half), except that payment for call-back time worked on the holidays shall be paid for at the holiday overtime rate as stated in Section 10.6.
- (1) Although the "on-the-job" work actually performed by employees called back for work after having completed a regular day's work, or employees called out for work outside of their regular workweek, will in some instances be more, and in some instances less than two (2) hours, it is therefore agreed that such employees shall be paid for not less than a minimum of two (2) hours. There shall be no stacking of the 2 hour call out minimum pay. The employee shall be eligible for a second or subsequent minimum call out after expiration of the preceding call out minimum and break in service.
- b. All work performed on Sunday by employees not on shift work shall be paid at a rate of two (2) times the employee's basic hourly rate of pay.

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- c. Management reserves its right to utilize mutual assistance as has been done historically within the terms of the labor agreement and past practice
 - d. If at any time it is determined that an overtime assignment was not made in accordance with the terms of this Agreement, the remedy shall be make up overtime work. Make up overtime work is any work assigned outside of straight time hours. The employee shall have an opportunity to work the same number of hours and be made whole monetarily. This make up overtime will be offered within (30) days of such determination as mutually agreed between the affected employee and their supervisor. The employee's failure to work overtime offered will relieve the Company of its obligation. The makeup opportunity shall be available to the most senior qualified person who should have been called.
- 10.6 Overtime compensation of one and one-half (1 1/2) times the regular rate of pay shall be paid for all approved work worked over eight (8) hours in any one (1) day, or in excess of forty (40) hours in any one (1) week. Double time shall be paid on hours worked on Sunday or the employees assigned holiday. However, when an employee is scheduled to work on a contract holiday, the holiday shall be part of the scheduled 40 hours worked and the employee shall be paid triple time for the eight holiday hours worked and shall not be assigned a day off in lieu of such pay.
- a. Overtime payment shall be made on the basis of either daily or weekly overtime hours worked, but an employee shall not be paid both daily and weekly overtime for the same overtime hours worked.
 - b. Except as provided in subparagraph a. above, all time worked shall be used in the computation of weekly overtime. Holiday time paid for, but not worked, shall not be used in the computation of weekly overtime. Hours worked for which a differential is payable shall be used in the computation of weekly overtime.
- Employees shall not be required to take time off during their regular workweek for overtime worked or to be worked.
- 10.7 Any employee who reports for work at the employee's regular starting time without having previously been notified not to report, shall be compensated for not less than three (3) hours work at the employee's regular rate.
- 10.8 The management shall have the right to require employees to work on a different hourly schedule but they shall not be required to work more than five (5) consecutive days in any one (1) week to complete forty (40) hours of work except shift workers and split-shift workers.
- 10.9 Any employee required to work overtime of more than two (2) hours past the employee's regular quitting time or as soon thereafter as the conditions of work permit, shall be supplied with a meal at the Company's expense; and the Company will supply additional meals at each six (6) hour interval thereafter insofar as it is possible to do so and as long as the employee works overtime. On call-outs after hours the Company will reimburse the employee a meal allowance for each six (6) hours of continuous overtime actually worked. For scheduled overtime actually worked a meal will be paid after working more

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than ten (10) hours of continuous work and at each six (6) hour interval thereafter insofar as it is possible to do so and as long as the employee works overtime.

For each meal required, the Company will reimburse the employee a meal allowance rate of fifteen dollars (\$15.00) per meal. Employees shall be given an opportunity to eat the meals supplied to them. Such meals will be eaten at the aforesaid six (6) hour intervals or as soon thereafter as the conditions of the work permit. When the Company furnishes an employee's meal, eating time will be considered as time worked and paid for when the employee is required to continue to work immediately after the meal.

- 10.10 When an employee or employees are to travel overnight out of the Area in which they are regularly employed the following day, they are, except in emergencies, to be notified not later than 5:00 p.m. of the previous day.
- 10.11 When employees are temporarily assigned to work at a city or town other than the location of their normal assignment, the Company may at its option either:
- a. Furnish daily transportation to and from the location of the temporary assignment; or
 - b. Furnish transportation to and from the location of the temporary assignment, at the beginning and the end thereof, and also reimburse the employee for the reasonable cost of expenses actually incurred during the period of such temporary assignments. The meal allowance as set forth in paragraph 10.9 above shall apply for each meal while on temporary assignment outside of normal location as set forth in 10.11.
- 10.12 The Company shall not require employees to work out of doors continuously during heavy or continuous storms, unless such work is necessary to protect life, or property, or to maintain service to the public; nor will it require that they work in or upon premises where there are persons with contagious diseases without first securing approval for their so doing from the Health Officer having jurisdiction.

In the event a blizzard is officially declared by the National Weather Service, any employee who makes it to work will be paid for the hours actually worked during the employee's normal, regular workday, and in those instances where an employee is at work and the National Weather Service confirms that a blizzard exists, the employee may, with permission of the employee's supervisor, go home and be paid for only those normal hours worked up to the employee's time of departure for that workday. The Company may select any employee, and, if possible, one who normally does the work to be performed, whom it may transport or otherwise assist in getting to work to perform whatever work the Company requires to be done at that time.

- 10.13 Home Starts: Employees in a classification that normally work alone may, with Company approval, have the option to report from home with their Company-provided vehicles.

When an employee does report from home, the following conditions will apply:

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- a. Employees will work their normally assigned shift hours. Starting time commences at the time they enter the Company vehicle at their residence and the time ends when they exit the vehicle at their residence.
 - b. The Company will provide jump-starting and other garage services.
 - c. Personal use of the Company vehicle is prohibited.
 - d. The employee is responsible for reasonable prudent care of the Company vehicle while in their possession during non-work.
- 10.14 Employees that do work during the hours of 12 a.m. to 5 a.m. will be excused with pay from the first four (4) hours of their next shift of the same day. Shift workers working the 1 p.m. to 9 p.m. shift that do work after 4 a.m. will be excused with pay from the first four (4) hours of their next shift on the same day.

ARTICLE XI SUBCONTRACTING

- 11.1 Whenever the Company leases out or contracts work now being done by the Company no such work shall be contracted for or leased which directly or indirectly causes present employees to be laid off for lack of work.

ARTICLE XII TIME OFF DUTY - LEAVES OF ABSENCE

- 12.1 **Personal Leave:** A maximum of one (1) year leave of absence may be granted to employees for reasons other than illness and recuperation with the written approval of the Operations Manager - South Dakota, provided they can be spared from duty, and while on such leave of absence, employees shall not be deemed to have forfeited their seniority rights. If employees remain away for longer than permitted by the authorized leave of absence, or if they accept employment elsewhere, while on such leave of absence without sanction of the Company, their employment and seniority with the Company shall be deemed to have terminated, provided that:
- a. Any employee who enlists or is inducted into the military forces of the United States shall be reemployed in accordance with the Viet Nam Era Veterans Readjustment Assistance Act, as of now or hereafter amended;
 - b. Months of service considered in the determination of seniority, progression wage rates, vacation time, for other purposes, shall be retained, but shall not accrue during any leave of absence granted or taken after the effective date of this Agreement except that months of service shall accrue for a maximum of (6) months during any temporary disability;
 - c. If applications for leaves of absence exceed the number of employees which the Company feels can be released, applications shall be granted first to those who are unable to work as shown by the written advice of their physicians; then according to the seniority of the other employees involved;
 - d. All requests for leaves of absence shall be in writing and shall be submitted at least thirty (30) calendar days in advance, if possible (except as outlined in Section 9.2.a.).

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- 12.2 **Maternity Leave:** Time off for an employee who is disabled by reason of pregnancy or a related condition may be taken pursuant to Sections 12.1, 12.7, or Article XIX, whichever is applicable.
- 12.3 Any employee granted a leave of absence shall, as a condition of returning to work, notify the Company prior to the expiration thereof as to whether the employee is in condition to, and intends to return to work upon the expiration of such leave, or any earlier date on which the employee will be available to return to work. All such notices shall be in writing, personally or by registered mail, delivered to the employee's immediate supervisor (outside the Union), as provided below:
- a. Such notice shall be delivered not less than two (2) weeks prior to the expiration of such leave, or of any earlier date on which the employee intends to return to work.
 - b. If the employee is prevented from furnishing the appropriate minimum advance notice, provided for in subparagraph 12.1.d. above, by conditions beyond the employee's control, then the applicable minimum advance notice period will be proportionately shortened.
 - c. Employees who have been under the care of a physician during a leave of absence may be required to submit a written statement made by a physician to the Company indicating that the employee is physically able to return to and to perform his or her normal work.
- 12.4 An employee shall, upon return from a leave of absence, subject to the seniority and associated provisions of this Agreement and provided that the employee has the physical and mental fitness and capacity to perform the work, be reinstated:
- a. On the same job, if vacant, and at the same level of the wage progression schedule the employee left when such leave of absence began, provided that a vacancy on that job still exists; otherwise,
 - b. At work generally similar to that in which the employee was engaged immediately prior to the beginning of such leave of absence, and at the appropriate wage rate applicable to such work, provided that such job is vacant and available; otherwise,
 - c. If no similar vacancy exists in any job referred to under subparagraphs a. or b. above, one may be immediately created by demotion or layoff subject to the provisions of Article XV, "Workforce Adjustments".
- 12.5 **Funeral Leave:**
- a. Time off, without loss of pay, shall be granted to regular full-time and regular part-time employees who have at least six (6) months of continuous employment with the Company in the event of the death of employee's spouse, child, mother, father, sister, brother, grandmother or grandfather, mother-in-law, father-in-law, sister-in-law, brother-in-law, grandchildren or spouse's grandmother or grandfather, or stepparent, stepchild, stepbrother, stepsister, or any other members of the employee's immediate household shall be sufficient to include the period

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between the death and the full day of the burial, and where personal responsibilities are involved, the day following the burial, subject, however, to a maximum of three (3) days; provided that if additional time is necessary because of distance, weather or travel conditions, then this maximum may be increased to allow additional time, but in no event shall the maximum be paid for in connection with such absence exceed five (5) days.

- b. Regular employees will also be permitted to attend funerals without pay for other than those provided for in Section 12.5.a. provided the employee's immediate supervisor determines that the work and service conditions will so permit and the employee has given the immediate supervisor advance notice of the desire to have time off to attend a funeral. If more employees request time off to attend a funeral or funerals than the Company can accommodate, then such requests will, in turn, be given preference in the order of the employees' seniority.

Any regular employee covered by this Agreement may be allowed the amount of time necessary, up to four (4) hours, off from duty with regular pay to attend the funeral of a fellow regular employee of the Company provided the necessary operations of the Company's properties will not be interfered with thereby. One Union representative may be allowed the amount of time necessary, up to four (4) hours, off from duty with regular pay to attend the funeral of a fellow retiree of the Company. To be eligible for pay under this section, it shall be necessary that the employee attend the funeral of the deceased regular employee or retiree.

- 12.6 **Jury Duty:** Absence for Jury Duty or Service as Witness. Any regular employee who has been lawfully summoned to report for jury service or to appear as a witness in court, and who actually performs jury service, or appears as a witness, will be paid by the Company at the employee's basic straight time hourly rate of pay for such regular time as the employee is required to be absent from duty, except that the amount paid to the employee by civil authorities for such service, not including traveling allowances, will be deducted by the Company from the employee's pay for the period involved, provided that:

- (1) Such employee notifies the employee's immediate supervisor (outside of the Union) of the receipt of such summons on the employee's first scheduled workday following receipt of such summons.
- (2) Any such employee who on any day is excused from such jury or witness duty, at a time that will permit the employee to return to work for a part of the day, shall communicate with the employee's immediate supervisor (outside of the Union) for such assignment as is reasonable under the circumstances.

- 12.7 **Absence for Union Business:** Provided that the Company first determines that service and other business conditions so permit, any employee who is an authorized representative of the Union recognized in Article I, Section 1, and whose Union assignment pertaining only to the Union described in Article I, Section 1, requires that the employee be absent from full-time regular duties with the Company to conduct Union business pertaining only to the Union described in Article I, Section 1, will upon written request stating the reason for such absence by the employee to the employee's immediate supervisor (outside the Union) be excused without pay with the understanding that the

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employee shall not be absent without first obtaining the approval of the immediate supervisor. All such excused absences shall not in total exceed fifteen (15) consecutive calendar days, or a total not to exceed thirty (30) workdays in any calendar year.

Anyone absent in excess of these amounts shall be deemed to have been terminated, and if such employee re-enters the employ of the Company, the employee shall do so as a new employee.

Employees of the Company who may be called upon to transact business for the Local Union which requires their absence from duty with the Company for short periods of time, shall upon receiving permission from their immediate supervisor, be allowed to absent themselves without pay for a short period of time to transact such business; however, the immediate supervisor of such employee shall be notified in sufficient time so the vacancy can be filled if necessary. It is also agreed that Union Representatives consulting with employees on their jobs will do so in such a manner as to not interfere with the steady progress of the work assigned to such employees. No more than two (2) employees from the same department shall, at any one time be excused, unless in special cases, other arrangements are made and agreed upon between the Company and Union a reasonable period in advance.

12.8 **Sick Leave:** Necessary sick leave without pay not exceeding two (2) years, except as herein provided, shall be granted by the Company to an employee requesting it and supported by medical evidence. An employee receiving sick leave not exceeding two (2) years shall continue to accrue seniority during such leave. Any agreement between the Union and the Company extending the sick leave beyond two (2) years shall specify whether or not the employee is to accrue seniority during such leave. Section 12.8 shall include dependent care.

12.9 **Emergency Leave.** Employees having exhausted FMLA Leave as a result of a workers compensation injury may for good and proper cause be granted an unpaid emergency leave. Any such request shall be in writing stating the reasons for the requested leave. While on such leave, employees shall not be deemed to have forfeited their seniority rights. An employee may use vacation and /or floating holidays during such leave.

**ARTICLE XIII
VACATION**

13.1 All regular employees covered by this Agreement shall be entitled to vacation with regular pay each calendar year in accordance with the following rules and schedules.

13.2 Vacation time for regular, full-time employees shall be accrued according to the following schedule:

	Bi-Weekly Accrual Rate Hours/Pay	Annual Equivalent Accrual	Maximum Accumulated Accrual
<u>Years of Service</u>	<u>Period</u>	<u>Rate/Weeks</u>	<u>Rate/Hour</u>
0 - 7 full years	3.12	2	160

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Start of 8 - 15 years	4.62	3	240
Start of 16 - 24 years	6.23	4	320
Start of 25 - 34 years	7.73	5	400
Start of 35th year	9.24	6	480

- 13.3 Employees with less than one year of service will be allowed to use vacation after the completion of four (4) months of employment. Employees who terminate prior to the completion of four (4) months of service will not be eligible for payment of accrued vacation.

- 13.4 Payment of vacation to individuals terminating employment will be limited to the maximum amounts cited above.

- 13.5 Except as provided in Article XIII, Section 7, all vacations shall be taken on consecutive days unless the Company and the employee agree on a different division of the vacation time.

- 13.6 If an employee dies, the surviving spouse shall receive the employee's regular vacation pay if the vacation has not already been taken. If there is no surviving spouse, then the vacation pay shall be paid to the surviving children. If there are no surviving children, then the vacation pay shall be paid to the beneficiary designated.

- 13.7 At the beginning of each calendar year, or as soon as practical thereafter, supervisors will consult with all regular employees entitled to vacation, and from such consultation, the Company shall establish a working schedule of vacation periods.

- 13.8 Employees shall exercise their seniority in the selection of the first two (2) weeks of vacation, it being agreed that the Company has the right to designate the time when an employee is to receive additional vacation.

- 13.9 The Company, in determining vacation schedules, shall respect the wishes of the employees as to the time of taking vacations insofar as the needs of the service will permit.

- 13.10 Employees who are eligible for two (2) or more weeks of vacation may, at their option in accordance with the present vacation scheduling practice, schedule a one (1) week portion of such vacation as a tentative vacation week to be used in place of personal time off, when possible.

Employees who are eligible for four (4) or more weeks of vacation may, at their option in accordance with the present vacation scheduling practice, schedule a two (2) week portion of such vacation as tentative vacation weeks to be used in place of personal time off whenever possible.

These tentative vacation weeks will consist of five (5) paid vacation days per week that may be scheduled on a day-at-a-time basis.

If the employee has not taken all five (5) days of the tentative vacation week on a day-at-a-time basis, prior to the employee's scheduled tentative week, those vacation days remaining will be taken during the scheduled week.

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Except in emergency situations, the employee will normally notify and receive approval from the employee's immediate supervisor on the Wednesday of the week preceding the week in which the employee has elected to take a day or days (not to exceed two (2) days in any week) of vacation as described above.

This practice may be discontinued by the Company in any location or work group where it becomes, in the Company's opinion, unworkable.

ARTICLE XIV HOLIDAYS

14.1 The following shall be the legal holidays recognized under this Agreement:

New Year's Day	Thanksgiving Day
Memorial Day	Day After Thanksgiving
Independence Day	December 24th
Labor Day	Christmas Day

or days observed for the foregoing.

Holidays specified above falling on Sunday will be observed on the employee's following scheduled workday. If Christmas Eve Day falls on a Sunday or if a holiday falls on a Saturday, a regular employee will receive an additional floating holiday. Holidays that fall on a Sunday are observed on the Monday after the holiday.

14.2 Employees shall also have two personal holidays during the contract year unless the employee began working on or after April 1 of the contract year, in which case, the employee shall have one personal holiday. Personal holidays shall be observed on a date mutually agreeable to the employee and supervisor. If two or more employees request the same personal holiday, seniority shall govern. Personal holidays must be taken in the contract year earned and may not be carried over to a subsequent contract year.

14.3 Holiday time occurring on an employee's regular workday, within the employee's regularly assigned workweek, will be paid for as a holiday allowance computed at the employee's straight-time rate for the number of hours which the employee normally would have worked, whether the employee works or not.

14.4 Whenever a holiday falls on an employee's scheduled day off, the employee (shall work the employee's regular scheduled workweek of forty (40) hours and) shall, in lieu of the holiday, be paid a holiday allowance computed at the employee's straight-time rate for the number of hours the employee normally works on one (1) of the employee's regular workdays, within the employee's regular workweek.

14.5 If the employee works on a holiday, the employee will be paid as stated in Section 10.6.

14.6 Employees failing to report for scheduled work on a holiday, or on either of the employee's scheduled workdays which immediately precede or follow the holiday, shall receive no holiday allowance or other holiday pay unless excused by the Company.

Individual Responsible: Richard Lovig

- 14.7 Whenever any part of a shift worker's regular assigned shift falls on one of the holidays outlined in Article XIV, Section 1, each hour of one such regular shift shall be treated as if all hours of the shift were worked on the holiday; if parts of two (2) shifts worked by an employee fall on the same holiday, the shift involving the greater number of regularly scheduled hours shall be treated as the holiday, and used as basis for computing the employee's holiday allowance (as indicated in Section 14.3).

ARTICLE XV WORKFORCE ADJUSTMENTS

- 15.1 Layoffs or reductions from the regular workday and regular work week as defined herein because of lack of work shall be made in accordance with the following procedure:

- a. Employees who have not established seniority shall first be terminated.
- b. Regular full-time employees within the affected job classification shall be laid off in the inverse order of their seniority.
- c. Regular full-time employees, otherwise subject to layoff, shall have bump rights, according to seniority and qualifications.

- (1) If a regular full-time employee bumps in order to preserve employment, the employee will be given a 45 working day adjustment period to demonstrate the ability to perform the essential duties of the position. Management will evaluate and inform the employee of progress as well as areas needing improvement once the employee completes 20 working days of the adjustment period. At the completion of the adjustment period, management will confirm whether the employee is qualified to continue in the position. Any decision to disqualify shall be based upon objective performance criteria related to the essential job duties.
- (2) Eligibility to bump into the Foreperson position shall be limited to employees with at least three years field experience in the construction area.
- (3) Eligibility to bump into the Measurement and Control position shall be limited to employees with three years of field experience in Service and/or Construction areas.
- (4) In no case will employees in the Welding classification be bumped unless the employee has previously held and was qualified in the classification.
- (5) Field experience as a Seasonal Gas Operations employee may be considered as contributing to the minimum experience requirement at the discretion of management.

The wage rate for this adjustment period will be determined as the mid-level pay for the classification in which the employee has bumped. Upon completion of the adjustment period, the employee's wage rate shall be determined by the employee's seniority and the wage base of the classification. If the employee is later reassigned to the employee's former classification, the employee's wage service credit in the former classification shall be the same as it would have been had the employee remained in the former classification.

Individual Responsible: Richard Lovig

- 15.2 When adding to the forces, the employees most recently reassigned or laid off shall, in accordance with the employee's seniority and Section 15.3, be the first to be reassigned to the employee's former job classification or reemployed, if available, qualifications being sufficient, and provided they are physically qualified to return to work and heretofore satisfactorily performed the type of work available and to which they are to be assigned.
- 15.3 The seniority of any employee shall not be affected if the employee is temporarily laid off, through no fault of the employee, and reinstated within a period of time equal to their seniority but not less than twelve (12) months nor more than twenty-four (24) months, provided that when a laid off employee is requested to return to work, the employee shall be given not less than fourteen (14) days advance notice to that effect. Such notice to be sent to the employee's last known address by registered mail, return receipt requested. The seniority of an employee who has been laid off for more than twelve (12) months or who fails to report as directed shall be deemed to have terminated.

ARTICLE XVI FEDERAL AND STATE LAWS

- 16.1 This Agreement shall effect no changes in existing practices, except those specifically provided for herein unless changed by mutual agreement. Nothing in this Agreement shall be construed to require either party of this Agreement to act in violation of any State or Federal Law, and in the event that any such conditions arise, it is agreed that this Agreement shall be modified in respect to any or all parties to the extent necessary to comply with the law.
- 16.2 The Company and the Union shall continue their policy of providing equality of opportunity in matters of hiring, training, promotion, transfer, layoff, or discharge without regard to race, religion, color, creed, sex, national origin, ancestry, marital status, affectional preference, age, status with regard to public assistance, non-disqualifying physical or mental handicap, status as a disabled veteran, veteran of the Vietnam Era or because of Union affiliation.
- 16.3 **(NEW 2013) The company may change any anti-drug and alcohol prevention and misuse policies and plans at any time to make non-substantive or ministerial changes based upon recommendations of regulatory agencies. The company shall give the union 30 calendar days' notice in advance of such changes. Changes that are mandatory subjects of bargaining are types of drugs tested for, levels that result in a positive test, annual percentage of employees to be tested or discipline for a positive test.**

ARTICLE XVII SAFETY RULES

- 17.1 The Company shall furnish all necessary safety equipment for the protection of employees working on live equipment as required by appropriate safety rules and regulations. The Company, Union and employees will abide by the rules and regulations set forth in the Williams-Stieger Occupational Safety and Health Act and by the safety rules established by the Company.

Individual Responsible: Richard Lovig

- 17.2 Both the Company and the Union recognize that safe working conditions and safe practices are essential in the prevention of personal injuries, damage of equipment and protection of the public. The Company therefore welcomes suggestions from employees individually or through their representatives, preferably in writing. It will promptly acknowledge all such written suggestions in writing, when addressed to proper Company representatives, and will investigate their merit and practicability. The Union will encourage its members to work in a safe manner and cooperate with the Safety Program.

ARTICLE XVIII BULLETIN BOARDS

- 18.1 The Company will furnish and maintain bulletin boards or provide space on existing bulletin boards for use by the Union.
- 18.2 The Union's use of these bulletin boards shall be solely for notices of Union meetings; Union appointments, nominations, and election of Union officers; social, educational or recreational affairs of the Union; and such other notices as may be mutually agreed upon in advance between the Company and the Union. Material posted shall not contain anything of a controversial or political nature, or anything derogatory to the Company, its management or any of its employees, nor shall any employee deface or destroy any item posted on such Company and/or Union bulletin boards.
- 18.3 No material shall be posted upon these Union bulletin boards, except by a properly authorized representative of the Local Union. The Union agrees to keep all material posted neat in appearance at all times.

ARTICLE XIX SICK LEAVE

- 19.1 Sick leave protects employees from loss of income when they are unable to work due to illness or injury. Sick leave may be used to care for an ill or injured dependent for reasonable periods as one's attendance with the dependent is necessary. Dependents include the employee's spouse, eligible dependent children or parent. An eligible dependent child is the employee's child, or the employee's spouse's child, a child placed with the employee for adoption, a legally adopted child, a child for whom the employee has legal guardianship, or a foster child that lives with the employee. If requested by the Company, the employee will furnish a certificate from the doctor, a physician assistant, or a nurse practitioner to verify the absence in order to receive payment for the sick leave. Effective January 1, 1989, all regular, full-time employees will earn 3.08 hours of sick leave time per pay period, which is equivalent to an annual accrual of eighty (80) hours.
- 19.2 Previously scheduled appointments with dentists and doctors, up to a maximum of twelve (12) hours per year, may be charged against an employee's sick leave. This is conditional on the scheduling of the appointment being first agreed to by the employee's supervisor or department head and verification of the treatment being furnished to the Company, when requested.
- 19.3 In the case of sickness, the Company may require a certificate from a duly accredited physician, of the Company's choice, stating the nature of such illness. The company will pay the cost of the doctor appointment should it be required.

Individual Responsible: Richard Lovig

- 19.4 Sick absence shall include the absence for physical examinations ordered by the United States Government for veterans. When a compensable accident results in lost time, an employee with a sick leave balance will charge an appropriate number of hours per day of absence against their sick leave account to make the employee whole based on current regular straight time compensation.

This is the only payment the employee will receive from MidAmerican Energy Co. Any other payment will be made from Workers' Compensation.

- 19.5 Employee's experiencing illness/injury related absences or receiving sick leave benefits for a period greater than 180 days for the same illness/injury shall be required to apply for long term disability benefits within the initial 180 day period to remain eligible for sick leave. If and when the employee becomes eligible for long term disability, they shall cease receiving sick leave benefits while receiving disability benefits.

ARTICLE XX GENERAL

- 20.1 **Paydays:** Paydays shall be on every other Friday, unless prevented by emergencies or other conditions over which the Company has no control; and each payday shall be for the two (2) calendar weeks ending not earlier than the end of the preceding calendar week. In the event that a designated payday falls on a legal holiday, then paychecks shall be available on the day prior to such holiday. Also, if the paychecks are available, every effort will be made to distribute them to the appropriate shift workers on Thursday.
- 20.2 **Employment:** The Company shall have the right to employ persons at starting wage rates commensurate with their previous training, employment and experience; and to adjust an employee's wage schedule service at any time during the first six (6) months of the employee's employment.
- 20.3 **Mileage:** Employees on Company business shall be paid the IRS standard mileage rate for use of their personal cars. Employees shall have liability insurance on cars driven for Company business. A copy of such liability insurance must be furnished to the Company.
- 20.4 **Shift Differential:** Shift employees scheduled for shifts starting outside the definition of a regular workday shall receive eighty (.80) cents per hour shift differential only when they work these shifts.
- 20.5 **Personal Protective Equipment and Dress Code.**
- a. The Company shall furnish rubber gloves, welder's gloves, hard hats, smocks, fire-retardant cover-ups and other protective devices to guard or protect employees as needed.
 - b. Where such items are required by OSHA and/or Safety Rules and /or a similar regulatory body the Company shall provide the following:
 - i. Safety eyewear as provided by the "Safety Eyewear Program".

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- ii. Employees required to wear safety toed footwear will receive an annual stipend of \$50 upon presentation of a current receipt in that amount or more evidencing the purchase of appropriate safety toed footwear.
 - c. Employees shall at all appropriate times use the safety equipment and devices provided by the Company. Employees shall be responsible for the reasonable care of this equipment and devices.
 - d. Dress Code - Employees are expected to report to work dressed in clean clothing and worn in an appropriate manner to reflect favorable on the Company's image. Cut off shirts sleeves, torn clothing and shorts will not be tolerated. Printed messages that are not company approved on clothing are prohibited. Meter Readers may continue to wear shorts, otherwise consistent with the dress code, so long as shorts are not restricted or prohibited by safety rule or hazard assessment.
- 20.6 **Bond:** Should any employee be required to give bond, the premium on same shall be paid by the Company.
- 20.7 **Fringe Benefits:**

Section 1: All eligible full-time employees in the bargaining unit shall participate in the following fringe benefit plans consistent with agreed upon plan provisions. All regular part-time employees shall participate in the following fringe benefit plans consistent with agreed upon plan provisions and/or Company policy regarding proration of applicable benefits. Effective January 1, 1998, active seasonal employees shall participate in the medical and effective October 1, 2010 they shall participate in the pension and savings plans consistent with agreed upon plan provisions.

The Company and Union agree that Benefits represent a significant part of an employee's total compensation. This section and the referenced Exhibits provide a brief overview of benefits and information as to how to reference additional information regarding benefit plan details. In the event there is any conflict between the information provided in the Section and the plan documents, the plan documents shall control. It will be the Company's responsibility to determine the carrier or administrator for these benefit programs.

- a. **(REVISED 2013) Medical** - The Medical benefit plan is intended to be a comprehensive plan that provides coverage for a broad range of medical services such as: physician office visits, preventive services, maternity services, inpatient facility and physician charges, outpatient surgery facility and physician charges, outpatient x-ray and lab work, routine annual eye exams, emergency room facility and physician charges, urgent care center, ambulance, chiropractor services, podiatry services, implantable birth control, mental health/substance abuse. Exhibit "B" provides additional information regarding the medical plan that is intended to be responsive to frequently asked questions. For plan details, employees should always consult their Summary Plan Description.

Medical Cost Sharing
80/20 October 1, 2010
80/20 January 1, 2011

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75/25	January 1, 2012
70/30	January 1, 2013
70/30	January 1, 2014
70/30	January 1, 2015
70/30	January 1, 2016
70/30	January 1, 2017

The Company and Union negotiate the terms and conditions of the PPO. The Company agrees to allow employees to participate in other non negotiated plans offered by the company under the same terms and conditions as the individual plan may be offered to non represented employees including but not limited to eligibility, coverage, benefits, cost sharing, co pays, etc.

- b. Life Insurance – The Life Insurance benefit plan is intended to provide coverage equal to one times annualized base compensation at straight time wages. Employees may purchase an additional one, two, or three times annual salary based upon base rate compensation at group rates. Spouse and dependent life insurance is intended to provide life insurance protection at specific levels at group rates. Exhibit “C” provides additional information regarding the life insurance plan that is intended to be responsive to frequently asked questions. For plan details, employees should always consult their Summary Plan Description.
- c. Long Term Disability – The Long Term Disability Plan is intended to provide income protection due to an inability to work due to a disabling illness or injury. After a six-month qualifying period, and approval by the insurance provider, disabled employees will receive 65% of their monthly rate of straight time wages. For plan details, employees should always consult their Summary Plan Description.
- d. Dental Plan – The Dental benefit plan is intended to be a comprehensive plan that provides services such as: check ups and teeth cleaning, cavity repair and tooth extractions, root canals, gum and bone disease, restorations, dentures, bridges, orthodontics. Exhibit “D” provides additional information regarding the dental plan that is intended to be responsive to frequently asked questions. For plan details, employees should always consult their Summary Plan Description.

Dental Premiums: Family and Single Coverage: 40% of equivalent rate paid by the employee / 60% of equivalent rate paid by the Company.

- e. Vision Plan – The Vision benefit plan is intended to be a comprehensive plan that provides services such as: annual eye exams, prescription eyewear, lenses, frames and contacts Exhibit “I” provides additional information regarding the vision plan that is intended to be responsive to frequently asked questions. For plan details, employees should always consult their Summary Plan Description.

Vision Premiums: 50% of equivalent rate paid by the employee / 50% of equivalent rate paid by the Company.

Individual Responsible: Richard Lovig

- f. 401K Savings and Investment Plan – The Company matches up to 6% of straight time base wages contributed by the employee at a rate of 65% for each dollar contributed. Employee contributions can range from 1% up to 75%. Exhibit “E” provides additional information regarding the 401(k) Savings Plan that is intended to be responsive to frequently asked questions. For plan details, employees should always consult their Summary Plan Description. The Legal Plan Document is titled ‘MidAmerican Energy Company Retirement Savings Plan’.
- g. HCRA/DCRA as law allows. Eligible employees may participate in the Healthcare Reimbursement and Dependent Care Reimbursement Accounts as established by the Company. Should the law change, the Flexible Benefits Program shall be reopened for enrollment options.

Detailed Plan Information. Employees are provided annual benefit plan summaries to provide plan details.

The Company will advise the President of the Union should there be an increase in the employee contribution for health, dental, and optional employee life insurance coverage during the term of this Agreement.

Section 2: Retirement Benefits.

Effective January 2, 2011 stop future accrual of benefits in the current final average pay and cash balance pension plans. The parties agree to an enhanced defined contribution or 401(k) plan as set forth below, effective January 2, 2011:

- 1. Employees currently participating in the final average pay pension plan shall move into the enhanced 401(k) plan with a 6.5% contribution of base pay.
- 2. Employees currently participating in the cash balance pension plan shall receive the following 401(k) contribution:
 - a. Employees hired before October 1, 2007 will receive a fixed 6.5% 401(k) contribution of base pay.
 - b. Employees hired on or after October 1, 2007 will receive a fixed 4.0% 401(k) contribution of base pay.
- 3. Employees \geq 45 years of age as of January 2, 2011, will be grandfathered in the current final average pay pension plan for a period of five (5) years or until January 9, 2016. On January 10, 2016, these employees shall move into the enhanced 401(k) plan and receive a fixed 6.5% contribution of base pay.
- 4. The five-year grandfathering listed in number (1) above shall continue beyond the term of this and successor collective bargaining agreements until the five-year grandfathering period expires.
- 5. Employees who presently participate in the final average pay pension or cash balance plan who are transitioned to the 401(k) plan, and who have less than the necessary five years to be fully vested will be allowed to count future years of service, only towards the vesting requirement of the final average pay pension plan. These future years of service shall not be included in any calculation of benefits, other than for purposes of vesting.

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2.a. Pension Plan. Subject to the terms and conditions set forth in paragraphs 1-5 immediately above all eligible employees in the Local 738 bargaining unit covered by this Agreement shall participate in the retirement plan provided for employees of MidAmerican Energy Company (known as Retirement Plan for Midwest Gas Bargaining Unit Employees - Local 738), which includes those employees who were participating in the Diversified Energies, Inc. Employees Pension Plan (“DEI Pension Plan”), and in the former Minnegasco Retirement Plan for employees of the former Cengas Division (“Cengas Plan”). The benefits provided to employees covered by this Agreement shall be the same benefits provided by the terms of the DEI Pension Plan or the Cengas Plan, as the case may be. The parties hereby agree and consent to any amendments to the Plan as may be necessary or appropriate to comply with the minimum requirements of the Internal Revenue Code (the “Code”) and federal law relating to pension plans, including applicable regulations, rulings and judicial interpretations under the Code or such federal law, such that the plan continues to be a qualified plan under Sections 401(a) of the Code and the related trust continues to be exempt from tax under section 501(a) of the Code. In the event it is necessary to amend the plan, the accrued benefit of a participant under the former Cengas Plan or the former DEI Plan on the date of the amendment shall not be reduced as a result of the amendment. Exhibit “F” is intended to provide additional information by providing an example of a pension calculation using the agreed upon pension formula. For additional information, always consult your Summary Plan Description.

2.b. Cash Balance Pension. Subject to the terms and conditions set forth in section 2, paragraphs 1-5 effective October 1, 2007, employees of MidAmerican Energy Company represented by Local 738 hired on or after October 1, 2007, automatically become participants in the Cash Balance Pension Plan. These employees begin participation starting on their first day at work. Note: Temporary employees are not eligible to participate in the plan.

A cash balance account is established for eligible employees. The account starts with a zero balance. While employed with the company, the value of the cash balance account grows in two ways. First, the account grows through additions that are based on (**pay credits**), and second, the account grows as interest is credited (**interest credits**) on the account balance. The benefit is based on the value of the account.

While participating in the cash balance pension plan, the account is credited a percentage of the pay (**pay credits**) you earned during the year (up to the limit permitted by law). This pay credit is 5.0%. Pay for purposes of calculating pay credits includes W-2 pay plus amounts deferred under Internal Revenue Code Sections 401(k), 125 and 132(f), excluding overtime, reimbursements, expense allowances, cash and noncash fringe benefits, moving expenses, and deferred compensation. (See Exhibit G) Seasonal employees hired prior to October 1, 2007, who are re-hired on a recurring seasonal basis, do not participate in the cash balance pension plan. They continue their participation in the final average pay defined benefit pension plan. In the event they convert to regular employment after October 1, 2007, they will continue their participation in the final average pay defined benefit pension plan.

Seasonal employees hired on or after October 1, 2007 participate in the cash balance

Individual Responsible: Richard Lovig

pension plan after having become regular employees.

- 20.8 **Testing:** (REVISED 2013) The Company may use statistically valid and reliable pre-employment and pre-job award tests. Any pre-job award test implemented (excluding “operator qualification” testing) will be reviewed by a joint committee (two Union representatives, two Company representatives).

The adoption or rejection of a proposed pre-job award test shall be determined by a consensus of the joint committee or by a majority vote if necessary. If the joint committee becomes “deadlocked” (two to two vote), either party may request the assistance of a testing expert to help mediate a resolution. The testing expert shall be jointly selected. Management retains the right to implement a test submitted to mediation so long as the test is statistically valid, reliable, and the decision to implement is neither arbitrary nor unreasonable. The Union retains the right to grieve a test so implemented as to whether the test and its implementation fully conforms to the provisions of Article XX, Section 20.8 as well as any other provisions of the Agreement which may be applicable.

Once a test has been adopted and implemented for a particular classification in Exhibit A, it shall be applied fairly to all employees bidding on the position classification. Employees must demonstrate performance on such tests at a level satisfactory to the Company.

In determining abilities and qualifications the Company shall give appropriate consideration to special training and schooling, written examinations, physical requirements and demonstrated competence in performing the duties and responsibilities of the job classification being bid.

The parties hereto agree to counsel with each other in regard to suitable and practical employee training, job content, and the creation of new jobs.

Employees bidding on the Utility Specialist position shall be required to obtain the National Career Readiness Silver Certificate and pass the “Tapdance” keyboarding assessment prior to award of the job. Should the Company choose to change tests, this section (20.8) applies to the new test.

It is agreed that employees hired prior to October 1, 2000, shall not be required to re-qualify for the job classifications that they permanently held on or before October 1, 2000. However, demonstrated incompetence may result in an employee being removed from a job classification which the employee is unable to capably perform.

- 20.9 **Waiver:** The waiver of any breach of this Agreement or any liberal interpretation of this Agreement beyond the stipulation of this Agreement, accepted by either party shall not constitute a precedent with regard to the future enforcement of all terms and conditions contained herein. The setting forth of specific rights of management in this Agreement is not intended to be nor shall be considered restrictive of or as a waiver of any of the rights of the Company not listed herein. Such inherent management responsibilities are not subject to arbitration and shall remain exclusively with the Company except as they may be shared with the Union by specific provisions of this Agreement.

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Individual Responsible: Richard Lovig

THIS AGREEMENT shall become effective as of the first day of October, 2010, and shall remain in full force and effect to the thirtieth day of September, 2013, and thereafter from year to year unless either party shall request changes in the Agreement, or termination thereof, and which shall be made in writing to the other party not less than sixty (60) days prior to October first (1st) of any year.

Negotiations with regard to such changes, or if the termination is requested then with regard to the new Agreement, shall start no less than thirty (30) days prior to the expiration of this Agreement.

Changes may be made at any time by mutual agreement between the parties hereto, but any changes agreed upon shall be reduced to writing; signed by both parties hereto and approved by the International Office of the Union, the same as this Agreement.

IN WITNESS WHEREOF the parties have executed this Agreement this 1st day of October, 2010.

MIDAMERICAN ENERGY CO.

UNITED STEEL, PAPER, AND FORESTRY,
RUBBER, MANUFACTURING, ENERGY,
ALIED INDUSTRIAL AND SERVICE
WORKERS INTERNATIONAL UNION,
AFL-CIO-CLC (USW) ON BEHALF OF
LOCAL 738

By: Joseph F. Moore,
General Manager-Operations

By: Leo Gerard,
President

By: Don J. Freitag,
Gas Crew Supervisor

By: Stanley W. Johnson,
Secretary-Treasurer

By: Dennis W. VanRuler,
Service Supervisor

By: Thomas Conway,
Vice President/Administration

By: Richard L. Baltazor,
Sr. Labor / Employee Relations Representative

By: Fred Redmond,
Vice President/Human Affairs

By: Richard G. Lovig,
Director, Labor / Employee Relations

By: Robert Bratulich,
District 11 Director

By: David Rizzuto,

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Individual Responsible: Richard Lovig
 Staff Representative

By: Sam Bowers,
 President, Local 738

By: William C. Warren,
 Vice-President, Local 738

By: Brian Rieger,
 Bargaining Committee

By: Kris Palmquist,
 Bargaining Committee

Exhibit "A"
Job Titles/Wage Rates

The following represents an increase of 1.5% effective on 10/1/10, 1.75% effective on 10/1/11 and 2.0% on 10/1/12. In the event of an error in the schedule below these established rate increases to the 10/1/09 rates shall rule.

JOB DESCRIPTION			10/1/2012
Foreperson/Foreperson (Seasonal)			
After 60 months			\$32.01
After 48 months			\$29.44
After 36 months			\$26.83
After 24 months			\$24.30
After 12 months			\$21.75
Start			\$19.14
Temporary Foreperson (Seasonal)*			
After 60 months			
Foreperson**			\$32.01
Operations Technician			\$28.76
Construction Technician			\$27.72
After 48 months			
Foreperson**			\$32.01
Operations Technician			\$26.36
Construction Technician			\$25.42
After 36 months			
Foreperson**			\$32.01
Operations Technician			\$23.99
Construction Technician			\$23.12
After 24 months			
Foreperson			\$24.30

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Operations Technician			\$21.64
Construction Technician			\$20.86
After 12 months			
Foreperson			\$21.75
Operations Technician			\$19.29
Construction Technician			\$18.59
Start			
Foreperson			\$19.14
Operations Technician			\$16.89
Construction Technician			\$16.28
Welder			
After 60 months			\$28.76
After 48 months			\$26.36
After 36 months			\$23.99
After 24 months			\$21.64
After 12 months			\$19.29
Start			\$16.89
Measurement & Control Technician			
After 60 months			\$28.76
After 48 months			\$26.36
After 36 months			\$23.99
After 24 months			\$21.64
After 12 months			\$19.29
Start			\$16.89
Operations technician			
After 60 months			\$28.76
After 48 months			\$26.36
After 36 months			\$23.99
After 24 months			\$21.64
After 12 months			\$19.29
Start			\$16.89
Service Tech / Leak & Locator / Construction Tech			
After 60 months			\$27.72
After 48 months			\$25.42
After 36 months			\$23.12
After 24 months			\$20.86
After 12 months			\$18.59
Start			\$16.28

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Meter Reader I			
After 36 months			\$23.49
Meter Reader II			
After 24 months*			\$21.36
After 12 months			\$19.24
Start			\$17.11
Seasonal Inspector / Seasonal Construction Tech			
After 42 months			\$22.65
After 33 months			\$22.33
After 24 months			\$22.00
After 15 months			\$21.34
After 6 months			\$21.03
Start			\$19.41
Customer Service Specialist			
After 18 months	\$18.98	\$19.31	\$19.70
After 12 months	\$18.04	\$18.36	\$18.73
After 6 months	\$17.08	\$17.38	\$17.73
Start	\$16.13	\$16.41	\$16.74

*Foreperson rate applies when performing duties of Foreperson. At other times, may be assigned and perform the duties of the most recently held former position: Operations Technician (Construction) and Construction Technician. For such assignments, compensation shall be consistent with Exhibit A rates for those classifications.

** Reflects the 60 months Foreperson Rate when updated to Foreperson.

* Maximum for Meter Readers hired, transferred or promoted to this position after 10/1/78.

Individual Responsible: Richard Lovig

(REVISED 2013) INCENTIVE AWARD PLAN - effective October 1, 2013

The following Incentive Plan shall remain in effect for the duration of this Agreement. Any incentive award payments will be made as soon after September 30th of each contract year as possible, but no later than December 15th of each contract year. Incentive Award eligibility shall be limited to active regular full-time and part-time employees on the active payroll September 30th of each contract year.

Maximum Award equals 3.0% of *Gross Earnings

<u>Safety</u>	<u>Maximum 2.30%</u>
Measure	
Group goal - Two or fewer preventable accidents	= 0.20%
Individual goal - Zero preventable accidents	= 0.55%
Group goal - <u>One or fewer safety rule violations that results in discipline</u>	= 0.40%
Individual goal - <u>Zero safety rule violations that result in discipline</u>	= 1.15%
<u>Other</u>	<u>Maximum 0.70%</u>
Group goal - Average Sick Leave per Employee to be no more than 45 hours	= 0.20%
Individual goal - Sick Leave per Employee to be no more than 45 hours	= 0.50%

* Total Gross Pay is defined as your regular, overtime, paid time off, and shift differential pay excluding pay received due to illness, either short term or long term.

Individual Responsible: Richard Lovig

EXHIBIT B

(REVISED 2013) Medical and Pharmacy Drug Benefits Overview

The overview is provided to clarify frequently asked questions regarding the medical and prescription drug benefit. For plan details, consult the applicable Summary Plan Description.

This overview briefly describes the benefits in effect on January 1, 2010 and those which will be in effect during the duration of the contract. If there are any discrepancies between this information and any of the legally controlling plan documents, the legally controlling plan documents will govern in all cases.

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Coverage	2013 PPO		2014 PPO		2015 PPO		2016 PPO		2017 PPO	
	In-Network	Out-of-Network								
	Nationwide network of physicians and hospitals	You may be billed for charges above usual and customary charges as determined by UHC	Nationwide network of physicians and hospitals	You may be billed for charges above usual and customary charges as determined by UHC	Nationwide network of physicians and hospitals	You may be billed for charges above usual and customary charges as determined by UHC	Nationwide network of physicians and hospitals	You may be billed for charges above usual and customary charges as determined by UHC	Nationwide network of physicians and hospitals	You may be billed for charges above usual and customary charges as determined by UHC
Annual Deductible	\$400 individual	\$700 individual	\$600 individual	\$800 individual	\$600 individual	\$800 individual	\$800 individual	\$1,000 individual	\$800 individual	\$1,000 individual
	\$800 family	\$1,400 family	\$1,200 family	\$1,600 family	\$1,200 family	\$1,600 family	\$1,600 family	\$2,000 family	\$1,600 family	\$2,000 family
Out-of-Pocket Maximum	\$2,000 individual	\$4,000 individual	\$2,500 individual	\$4,000 individual	\$2,500 individual	\$4,000 individual	\$3,000 individual	\$5,000 individual	\$3,000 individual	\$5,000 individual
Includes coinsurance and deductibles; does not include copays	\$4,000 family	\$8,000 family	\$5,000 family	\$8,000 family	\$5,000 family	\$8,000 family	\$6,000 family	\$10,000 family	\$6,000 family	\$10,000 family
Lifetime Maximum Benefit	None									
Ambulance Services	80% coverage after deductible	80% coverage after deductible	80% coverage after deductible	80% coverage after deductible	80% coverage after deductible	80% coverage after deductible	80% coverage after deductible	80% coverage after deductible	80% coverage after deductible	80% coverage after deductible
Congenital Heart Disease Services	80% coverage after deductible	60% coverage after deductible	80% coverage after deductible	60% coverage after deductible	80% coverage after deductible	60% coverage after deductible	80% coverage after deductible	60% coverage after deductible	80% coverage after deductible	60% coverage after deductible
Dental Services - Accident Only	\$30 copay then 100% coverage	60% coverage after deductible	\$35 copay then 100% coverage	60% coverage after deductible	\$35 copay then 100% coverage	60% coverage after deductible	\$35 copay then 100% coverage	60% coverage after deductible	\$35 copay then 100% coverage	60% coverage after deductible
Durable Medical Equipment and Prosthetic Devices	80% coverage after deductible	60% coverage after deductible	80% coverage after deductible	60% coverage after deductible	80% coverage after deductible	60% coverage after deductible	80% coverage after deductible	60% coverage after deductible	80% coverage after deductible	60% coverage after deductible
Emergency Room Facility Charges	\$100 copay then 100% coverage	\$100 copay then 100% coverage	\$100 copay then 100% coverage	\$100 copay then 100% coverage	\$100 copay then 100% coverage	\$100 copay then 100% coverage	\$100 copay then 100% coverage	\$100 copay then 100% coverage	\$100 copay then 100% coverage	\$100 copay then 100% coverage
Emergency Room Physician Charges	80% coverage after deductible	80% coverage after deductible	80% coverage after deductible	80% coverage after deductible	80% coverage after deductible	80% coverage after deductible	80% coverage after deductible	80% coverage after deductible	80% coverage after deductible	80% coverage after deductible

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Home Health Care	80% coverage after deductible	60% coverage after deductible								
Limits	None									
Hospice Care	80% coverage after deductible	60% coverage after deductible								
Limits	\$10,000 per episode		None		None		None		None	
Infertility Services	\$30 copay 80% coverage after deductible for surgical procedures	No coverage	\$35 copay 80% coverage after deductible for surgical procedures	No coverage	\$35 copay 80% coverage after deductible for surgical procedures	No coverage	\$35 copay 80% coverage after deductible for surgical procedures	No coverage	\$35 copay 80% coverage after deductible for surgical procedures	No coverage
Lifetime Maximum Benefit	\$15,000	No coverage								
Injections, allergy, immunotherapy, etc.	\$20 copay then 100% coverage	60% coverage after deductible	\$25 copay then 100% coverage	60% coverage after deductible	\$25 copay then 100% coverage	60% coverage after deductible	\$25 copay then 100% coverage	60% coverage after deductible	\$25 copay then 100% coverage	60% coverage after deductible
Inpatient Facility Charges	80% coverage after deductible	60% coverage after deductible								
Inpatient Physician Charges	80% coverage after deductible	60% coverage after deductible								
Maternity Services										
Prenatal and Postnatal Care	\$0 copay	60% coverage after deductible								
Inpatient Facility Charges	80% coverage after deductible	60% coverage after deductible								
Ultrasound and Amniocentesis	80% coverage after deductible	60% coverage after deductible								
Inpatient Physician Charges	80% coverage after deductible	60% coverage after deductible								
Newborn Charges	80% coverage	60% coverage								

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	after deductible									
Mental Health/Substance Abuse										
Office Visit/Outpatient Care	\$30 copay then 100% coverage	60% coverage after deductible	\$35 copay then 100% coverage	60% coverage after deductible	\$35 copay then 100% coverage	60% coverage after deductible	\$35 copay then 100% coverage	60% coverage after deductible	\$35 copay then 100% coverage	60% coverage after deductible
Inpatient Facility Charges	80% coverage after deductible	60% coverage after deductible	80% coverage after deductible	60% coverage after deductible	80% coverage after deductible	60% coverage after deductible	80% coverage after deductible	60% coverage after deductible	80% coverage after deductible	60% coverage after deductible
Inpatient Physician Charges	80% coverage after deductible	60% coverage after deductible	80% coverage after deductible	60% coverage after deductible	80% coverage after deductible	60% coverage after deductible	80% coverage after deductible	60% coverage after deductible	80% coverage after deductible	60% coverage after deductible
Obesity Surgery	80% coverage after deductible	No coverage								
Outpatient Surgery Facility Charges	80% coverage after deductible	60% coverage after deductible	80% coverage after deductible	60% coverage after deductible	80% coverage after deductible	60% coverage after deductible	80% coverage after deductible	60% coverage after deductible	80% coverage after deductible	60% coverage after deductible
Outpatient Surgery Physician Charges	80% coverage after deductible	60% coverage after deductible	80% coverage after deductible	60% coverage after deductible	80% coverage after deductible	60% coverage after deductible	80% coverage after deductible	60% coverage after deductible	80% coverage after deductible	60% coverage after deductible
Outpatient X-Ray and Lab Work	\$30 copay then 100% coverage	60% coverage after deductible	\$35 copay then 100% coverage	60% coverage after deductible	\$35 copay then 100% coverage	60% coverage after deductible	\$35 copay then 100% coverage	60% coverage after deductible	\$35 copay then 100% coverage	60% coverage after deductible
Physician Office Visit Family Practitioner, Pediatrician, Internal Medicine, Generalist, OB/GYN	\$20 copay then 100% coverage	60% coverage after deductible	\$25 copay then 100% coverage	60% coverage after deductible	\$25 copay then 100% coverage	60% coverage after deductible	\$25 copay then 100% coverage	60% coverage after deductible	\$25 copay then 100% coverage	60% coverage after deductible
Specialist Physician Office Visit Chiropractor, Podiatrist, Allergist, Therapist, Orthopedics, etc.	\$30 copay then 100% coverage	60% coverage after deductible	\$35 copay then 100% coverage	60% coverage after deductible	\$35 copay then 100% coverage	60% coverage after deductible	\$35 copay then 100% coverage	60% coverage after deductible	\$35 copay then 100% coverage	60% coverage after deductible
Limits for Spinal Treatment, Chiropractic and Osteopathic Manipulative Therapy	None									

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Preventive Services for Adult and Well Child Care	100% coverage	60% coverage after deductible								
Preventive Services for Women (expanded)										
Services include well-woman visits, domestic violence screening and FDA-approved contraceptives	100% coverage	60% coverage after deductible								
Reconstructive Procedures	80% coverage after deductible	60% coverage after deductible	80% coverage after deductible	60% coverage after deductible	80% coverage after deductible	60% coverage after deductible	80% coverage after deductible	60% coverage after deductible	80% coverage after deductible	60% coverage after deductible
Rehabilitation Services - Outpatient Therapy	\$30 copay then 100% coverage	No coverage	\$35 copay then 100% coverage	No coverage	\$35 copay then 100% coverage	No coverage	\$35 copay then 100% coverage	No coverage	\$35 copay then 100% coverage	No coverage
Limits for physical, occupational and speech therapy	None									
Routine Annual Eye Exam	\$30 copay then 100% coverage	No coverage	\$35 copay then 100% coverage	No coverage	\$35 copay then 100% coverage	No coverage	\$35 copay then 100% coverage	No coverage	\$35 copay then 100% coverage	No coverage
Skilled Nursing Facility and Inpatient Rehabilitation Facility Services	80% coverage after deductible	60% coverage after deductible	80% coverage after deductible	60% coverage after deductible	80% coverage after deductible	60% coverage after deductible	80% coverage after deductible	60% coverage after deductible	80% coverage after deductible	60% coverage after deductible
Limits	None									
Transplantation Services	80% coverage after deductible	No coverage								
Limits for Bone Marrow/Stem Cell Search	None	No coverage								
Urgent Care Center	\$35 copay then 100% coverage	60% coverage after deductible	\$35 copay then 100% coverage	60% coverage after deductible	\$35 copay then 100% coverage	60% coverage after deductible	\$35 copay then 100% coverage	60% coverage after deductible	\$35 copay then 100% coverage	60% coverage after deductible

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Prescription Drug Benefit	30-day supply									
	30-day supply	30-day supply								
Generic Drugs	\$10 copay or 20% whichever is greater, for each prescription or refill		\$10 copay or 20% whichever is greater, for each prescription or refill		\$10 copay or 20% whichever is greater, for each prescription or refill		\$10 copay or 20% whichever is greater, for each prescription or refill		\$10 copay or 20% whichever is greater, for each prescription or refill	
Formulary Brand-Name Drugs	\$20 copay or 30% whichever is greater, for each prescription or refill		\$30 copay or 30% whichever is greater, for each prescription or refill		\$30 copay or 30% whichever is greater, for each prescription or refill		\$30 copay or 30% whichever is greater, for each prescription or refill		\$30 copay or 30% whichever is greater, for each prescription or refill	
Nonformulary Brand-Name Drugs	\$35 copay or 40% whichever is greater, for each prescription or refill		\$50 copay or 40% whichever is greater, for each prescription or refill		\$50 copay or 40% whichever is greater, for each prescription or refill		\$50 copay or 40% whichever is greater, for each prescription or refill		\$50 copay or 40% whichever is greater, for each prescription or refill	
Retail Pharmacy - Quantity	90-day supply	90-day supply								
Generic Drugs	\$30 copay or 20% whichever is greater, for each prescription or refill		\$30 copay or 20% whichever is greater, for each prescription or refill		\$30 copay or 20% whichever is greater, for each prescription or refill		\$30 copay or 20% whichever is greater, for each prescription or refill		\$30 copay or 20% whichever is greater, for each prescription or refill	
Formulary Brand-Name Drugs	\$60 copay or 30% whichever is greater, for each prescription or refill		\$90 copay or 30% whichever is greater, for each prescription or refill		\$90 copay or 30% whichever is greater, for each prescription or refill		\$90 copay or 30% whichever is greater, for each prescription or refill		\$90 copay or 30% whichever is greater, for each prescription or refill	
Nonformulary Brand-Name Drugs	\$105 copay or 40% whichever is greater, for each prescription or refill		\$150 copay or 40% whichever is greater, for each prescription or refill		\$150 copay or 40% whichever is greater, for each prescription or refill		\$150 copay or 40% whichever is greater, for each prescription or refill		\$150 copay or 40% whichever is greater, for each prescription or refill	
Mail Service Pharmacy - Quantity	90-day supply	90-day supply								
Generic Drugs	\$20 copay for each prescription or refill	No coverage	\$20 copay for each prescription or refill	No coverage	\$20 copay for each prescription or refill	No coverage	\$20 copay for each prescription or refill	No coverage	\$20 copay for each prescription or refill	No coverage
Formulary Brand-Name Drugs	\$50 copay for each prescription or refill	No coverage	\$60 copay for each prescription or refill	No coverage	\$60 copay for each prescription or refill	No coverage	\$60 copay for each prescription or refill	No coverage	\$60 copay for each prescription or refill	No coverage
Nonformulary Brand-Name Drugs	\$80 copay for each prescription or refill	No coverage	\$120 copay for each prescription or refill	No coverage	\$120 copay for each prescription or refill	No coverage	\$120 copay for each prescription or refill	No coverage	\$120 copay for each prescription or refill	No coverage

Individual Responsible: Richard Lovig

Exhibit “C”

Dependent Life Insurance

The information provided is intended to be responsive to frequently asked questions regarding life insurance, more specifically, dependent life insurance. For plan details, always consult your Summary Plan Description.

If there are any discrepancies between this information and any of the legally controlling plan documents, the legally controlling plan documents will govern in all cases.

Plan Level and Cost – Spouse Life

\$15,000	\$ 2.50 per month
\$30,000	\$ 5.00 per month
\$60,000	\$10.00 per month

Plan Level and Cost – Dependent Life

\$ 5,000	\$.76 per month
\$10,000	\$ 1.50 per month
\$15,000	\$ 2.26 per month

Exhibit “D”

Dental Benefits Overview

This overview is intended to provide information that clarifies frequently asked questions regarding the dental benefits plan. For plan details, consult the Summary Plan Description.

If there are any discrepancies between this information and any of the legally controlling plan documents, the legally controlling plan documents will govern in all cases.

Delta Dental of Iowa administers MidAmerican’s dental plan. The plan provides quality, comprehensive coverage for you and your dependents with two levels of coverage:

- ▶ Single (employee only)
- ▶ Family (employee and all eligible dependents)

Dental Plan Overview

When receiving services, the following applies:

Dental Plan	Current 738 Plan	738 Plan (Effective 1/1/2011)
Annual deductible	\$50 per member	\$50 per member
Annual maximum benefit	\$1,500 per member (does not	\$1,500 per member (does not

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(Once you have met the annual maximum, no further benefits will be paid during the plan year.)	include orthodontic services)	include orthodontic services)
<p>Checkups and teeth cleaning (Diagnostic and preventive services)</p> <ul style="list-style-type: none"> • Dental cleaning • Oral evaluation • Fluoride applications • X-rays • Sealant applications • Space maintainers 	<p>100% coverage (Limitations on the frequency of services can be found in the summary plan description.)</p>	<p>100% coverage (Limitations on the frequency of services can be found in the summary plan description.)</p>
<p>Cavity repair and tooth extractions (Routine and restorative services)</p> <ul style="list-style-type: none"> • Contour of bone • Emergency treatment • General anesthesia/sedation • Restoration of decayed or fractured teeth • Limited occlusal adjustment • Routine oral surgery 	<p>80% coverage after deductible</p>	<p>80% coverage after deductible</p>
<p>Root Canals (Endodontic services)</p> <ul style="list-style-type: none"> • Apicoectomy • Direct pulp cap • Pulpotomy • Retrograde fillings • Root canal therapy 	<p>80% coverage after deductible</p>	<p>80% coverage after deductible</p>
<p>Gum and Bone Diseases * (Periodontal services)</p> <ul style="list-style-type: none"> • Conservative procedures • Complex procedures • Maintenance therapy 	<p>80% coverage after deductible</p> <p>50% coverage after deductible for services received from a non-participating provider</p>	<p>80% coverage after deductible</p> <p>50% coverage after deductible for services received from a non-participating provider</p>
<p>High Cost Restorations * (Cast restorations)</p> <ul style="list-style-type: none"> • Crowns • Inlays • Onlays • Posts and cores 	<p>80% coverage after deductible</p> <p>50% coverage after deductible for services received from a non-participating provider</p>	<p>50% coverage after deductible</p>
<p>Dentures and Bridges *</p>	<p>80% coverage after deductible</p>	<p>50% coverage after deductible</p>

Individual Responsible: Richard Lovig

Exhibit “F”
Pension Plan Calculation - Example

This overview is intended to provide an example of a pension plan calculation using the agreed upon formula.

If there are any discrepancies between this information and any of the legally controlling plan documents, the legally controlling plan documents will govern in all cases.

Calculation of your benefit is based upon years of Benefit Service under the Plan and your final average monthly pay. Final average monthly pay is your highest 60 consecutive months of pay out of the last 120 consecutive months of pay that produce the highest average Benefit Service is the sum of your periods of service which begin when you start working for the Company and ends on the earlier of the date you stop working (employment terminates) or the date you are absent from work one year. Your benefit is calculated under two formulas and you receive whichever benefit is greater. The formula used to calculate your benefit is:

$$\begin{aligned} &1.1\% \times \text{Average Monthly Pay} \times \text{Benefit Service} \\ &\quad \text{Plus} \\ &.45\% \times \text{Average Monthly Pay over Covered Compensation} \times \text{Benefit Service up to 35 years} \end{aligned}$$

However, your earned benefit will not be less than:

$$1.4\% \times \text{Average Monthly Pay up to } \$2,300 \times \text{Benefit Service}$$

Covered compensation is 1/12th of the average of the Social Security Taxable Wage Base which has been applied during your working lifetime. The average changes as the current taxable wage base increases.

Part-time employees shall participate in the pension plan consistent with agreed upon plan provisions and/or company policy regarding proration of applicable benefits. Seasonal employees are not eligible for the Pension Plan.

Exhibit “G”
Cash Balance Pension Plan

The following example demonstrates how pay credits are calculated.

Example 1:

Pay credit for employee with hire or rehire date after contract ratification:

Assumptions:

- Assume employee is hired 1/1/08.
- The individual’s eligible pay is \$60,000

To determine the pay credit:

\$60,000 (eligible Pay) x 5.00% (percentage of compensation	\$3,000.00
Pay credits for the plan year	\$3,000.00

Individual Responsible: Richard Lovig

Interest Credits:

In addition to pay credits, your cash balance earns interest credits. The interest credit rate is determined each year by an external index. The interest credit is the November one-year Treasury constant maturities yield plus 0.70%. The formula for calculating the interest credit rate is as follows:

Example 2 – interest credit applied to cash balance account for 2010:

Assumptions:

- An individual's account balance has grown to \$30,000.
- The average of the one-year Treasury constant maturities yield for November 2009 is 0.31%.

To Determine the interest rate

$$0.31\% \text{ (avg. one-yr. Treasury constant maturities yield)} + 0.70\% = 1.01\%$$

Calculate the interest credit

$$\text{\$30,000 (account balance)} \times 1.01\% \text{ (interest rate)} \qquad \qquad \qquad \text{\$303}$$

The interest credit rate is applied to the value of the cash balance account as of the last day of the previous plan year. These credits are added to your cash balance account before the pay credits for the plan year are added.

Note: You will continue to receive interest credits on your vested benefit until such time as you elect to have the benefit paid out.

Exhibit "H"

Regular Part-time Employee Sample Calculations
For Sick Leave, Vacation and Holiday

Example Calculations:

Employee works 40 hours in a pay period, but the pay period includes a holiday. The employee reports 40 hours in 9 days worked. The average number of hours worked would be 40 divided by 9, resulting in an average of 4.44 hours per day. Employee will be paid for 4.44 hours for the holiday in addition to the 40 hours worked.

Employee works 28 hours in 7 days of a pay period and is sick two days and takes vacation one day. The average number of hours worked would be 28 divided by 7, resulting in an average of 4 hours per day. The employee will be paid for the 28 hours worked plus 4 hours for each day of sick leave and 4 hours for the day of vacation.

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Exhibit I 738 Vision Plan				
Benefit	Frequency*	Co-payment	Coverage from a VSP Doctor	Out-of-Network Reimbursement
Eye Care Wellness				
Exam	12 months	\$10	Covered in full	Up to \$45 allowance
Prescription Eyewear – You may choose between glasses or contacts. You are not eligible for both during the same calendar year.				
Eyeglass Lenses	12 months	\$25 (Applied to lenses and frame)	Single vision, lined bifocal and lined trifocal lenses are covered in full	Single vision up to \$45 allowance Lined bifocal up to \$65 allowance Lined trifocal up to \$85 allowance
Frames	24 months	None	Up to \$130 allowance	Up to \$47 allowance
Contact Lenses	12 months	None	Up to \$155 allowance**	Up to \$105 allowance

*Based on calendar year

**Allowance applies to the cost of the contact lens exam and the contact lenses.

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(REVISED 2013) 2013 Benefits Contact Information

Benefit Plan	Plan Administrator	Phone Number	Web Site	Locate a Participating Provider/Special Instructions	Claims Address	Personalized ID Card
Medical	United Healthcare (UHC) PPO Plan HSA Plan	866-747-1021	www.myuhc.com	Log in by entering your Username and Password. To locate a participating provider	United Healthcare PO Box 740800 Atlanta, GA 30374-0800	Yes
			www.mymedica.com For residents of Minnesota, North Dakota, South Dakota and parts of Wisconsin.	for the plan you are enrolled, select Physicians & Facilities.		
			www.myuhc.com/groups/mec Use this site to locate a participating provider for a plan in which you are not enrolled.	Select Physicians & Facilities and select the desired plan from the drop-down menu.		
Bank Contact for HSA	OptumHealth Bank	800-791-9361 Option #1	www.myuhc.com	To view your HSA balance, select View Account Balances.	OptumHealth Bank, Member FDIC PO Box 271629 Salt Lake City, UT 84127-1629	Yes
NurseLine	Optum NurseLine Services	800-237-4936 800-855-2880 (TTY)		Available 24 hours a day, seven days a week.		No
Prescription Drug	CVS/Caremark	800-386-0324 Specialty Pharmacy 800-237-2767	www.caremark.com	The Web site is available once you are a member.	For mail order prescriptions: Caremark PO Box 94467 Palatine, IL 60094-4467	Yes
Dental	Delta Dental of Iowa	800-544-0718	www.deltadentalia.com	Select Delta Dental's Dental Search. For Product Selection, first select Delta Dental PPO for deeper provider discounts, then select Delta Dental Premier.	Delta Dental PO Box 9000 Johnston, IA 50131-9000	Yes
Vision	Vision Service Plan (VSP)	800-877-7195	www.vsp.com	To locate a network provider, select members and consumers. Then select Find a VSP Network Doctor; or call VSP's automated service at 800-877-7195.	VSP PO Box 997105 Sacramento, CA 95889-7105	No
Employee Assistance Program	LifeWorks	888-300-0431 888-500-3247 (Spanish)	www.lifeworks.com	Username: midamerican Password: lifebalance		No

***Available for MidAmerican Energy Company employees at regional locations.**

For more information, call the HR helpline at ext. 2999 (800-432-8999), option 1, or send an e-mail to hrhelpline@midamerican.com.

Benefit Plan	Plan Administrator	Phone Number	Web Site	Locate a Participating Provider/Special Instructions	Claims Address	Personalized ID Card
Flexible Spending Accounts	FlexServ	877-799-8820	www.ceridianfsa.com	Under Online Services, enter your log in (your Social Security number) and PIN (the last four digits of your Social Security number in reverse order).	FlexServ Claims Center PO Box 534134 St Petersburg, FL 33747-4134 Fax claim forms to: 877-488-6454 Or, submit claim form on-line at www.ceridianfsa.com	No
COBRA	COBRAServ	800-877-7994	www.ceridian-benefits.com	Log in by entering your	For payments:	No

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		(Option #2 for Spanish)		Username (if initial log in, your Social Security number with dashes) and PIN (if initial log in, the last four digits of your Social Security number in reverse order).	Ceridian COBRA Services Center PO Box 534099 St. Petersburg, FL 33747-4099 Correspondence: Ceridian COBRA Services Center Attn: Special Handling 3201 34 th St South St Petersburg, FL 33711-3828	
FMLA and LTD Reporting and Processing	Prudential	877-367-7781 877-889-4885 (Fax)	www.pruIsolution.com	Select Claim Status (found on the left side of the Web page under Claimant Services). On the log in screen, enter your Username and password. If initial log in, select First Time Logging In under the Claimants category on the log in screen.	Prudential Disability Management Services PO Box 13480 Philadelphia, PA 19176	No
401(k)	Merrill Lynch	800-228-4015	Benefits OnLine www.benefits.ml.com			No

Insert RMA letter of agreement here

Individual Responsible: Richard Lovig

LETTER OF AGREEMENT

OPERATOR QUALIFICATIONS EVALUATORS

MidAmerican Energy Company proposes the following process for selecting and compensating temporary Operator Qualifications (OQ) Evaluators.

Evaluators will be selected from those who hold, or have held, at least one or a combination of the following classifications for a minimum of three years: Foreperson, Operations Technician, Service Technician, Welder, and Measurement and Control Technician. The position will be posted and seniority will prevail in the cases of multiple volunteers. If two positions for evaluators are posted, seniority will continue to prevail. However, no more than one person can be selected from Field Services, Measurement & Control Technician or the Welder classifications.

If mutually agreed to by the Company and the Union, a qualified employee on restricted duty may be assigned as the OQ Evaluator.

In recognition of the added responsibility, the following terms relating to compensation would continue:

1. 10% premium over the current hourly base wage rate for the employee would be paid during the time the employee is performing any functions related to his or her role as an OQ Evaluator. This would not be limited strictly to performing evaluations, but also in their training and development as evaluators, and in the administration of the overall project.
2. It is anticipated that these individuals would need to assist in the administration of the OQ compliance program during which time their actual weekly commitment could fluctuate from going several weeks without performing any OQ evaluator functions to performing it on a full-time basis as the needs of the program dictate.

This agreement will terminate at the expiration of the current collective bargaining Agreement.

/s/ Merlena A. Boll 12/23/04
Merlena A. Boll (Date)

/s/ Michael K. Goodwin 12/23/04
Michael K. Goodwin (Date)

/s/ Phyllis R. Bitterman 12/23/04
Phyllis R. Bitterman (Date)

/s/ Ronald W. Dake 12/23/04
Ronald W. Dake (Date)

Individual Responsible: Richard Lovig

LETTER OF AGREEMENT

Between

MIDAMERICAN ENERGY COMPANY & P.A.C.E. Local 7738

The following provisions mutually agreed to between the Company and the Union shall control the determination of compensation for "drive-time" associated with the use of a Company vehicle when "On Call":

1. The Company agrees to increase the On Call premium from one hour to one and one half hours of straight time wages for each weekday and Saturday the employee is assigned On Call duty effective May 1, 1999. In exchange for this consideration, the Union agrees to no additional hourly compensation for drive time.
2. The Company agrees to increase the On-Call premium from one and one half hour of straight time wages to two hours of straight time wages for each calendar Sunday, or Holiday the employee is assigned On Call duty effective May 1, 1999. In exchange for this consideration, the Union agrees to no additional hourly compensation for drive time.
3. It is understood that unless specifically changed by this Agreement, all other terms and conditions of the Collective Bargaining Agreement remain unchanged.
4. It is also understood by both parties that this letter of agreement fully comports with current provisions of the Fair Labor Standards Act and that this agreement is in no way intended to enlarge or diminish either parties rights or responsibilities under the Act.

Approved:

For the Company:

/s/ Michael K. Goodwin 5/4/99 .

Michael K. Goodwin (Date)

(Date)

Employee Relations Representative

/s/ Larry DeJong 4/27/99 .

Larry DeJong (Date)

West District Vice-President

/s/ Ronald W. Dake 4/27/99 .

Ronald W. Dake (Date)

Manager SD Operations

For the Union:

/s/ Douglas L. Parham 5/5/99.

Douglas L. Parham

President, PACE Local 7738

/s/ William C. Warren 5/5/99.

William C. Warren (Date)

Vice-President, PACE Local 7738

Individual Responsible: Richard Lovig

LETTER OF AGREEMENT

NATIONAL HEALTH PLAN

The Company and Union agree if a National Health Care Plan is mandated by Federal law, the Company and Union mutually agree to meet and negotiate over the impact on any such law on the health care coverage afforded employees under the term of this Agreement.

For UPIU Local 7738:

For the Company:

/s/ Phyllis R. Bitterman .
Phyllis R. Bitterman

/s/ Gregory B. Elden .
Gregory B. Elden

/s/ Douglas L. Parham .
Douglas L. Parham

/s/ Ronald W. Dake .
Ronald W. Dake

/s/ William C. Warren .
William C. Warren

/s/ Michael K. Goodwin .
Michael K. Goodwin

(Original Letter of Agreement from Oct 1, 1997)

Individual Responsible: Richard Lovig

LETTER OF AGREEMENT

BENEFIT CHANGE

This Letter of Agreement is to confirm the following benefit changes agreed upon between the Company and Union.

Medical

Effective January 1, 1998, all eligible regular full-time, regular part-time, and active seasonal employees in the bargaining unit shall participate in the Medical Plan as described in the attached summary.

Dental

Effective January 1, 1998, all eligible regular full-time and regular part-time employees in the bargaining unit shall participate in the Dental Plan as described in the attached summary.

Pension

Effective January 1, 1998, the Pension Plan early retirement reduction schedule of eligible Local 7738 bargaining unit employees shall be changed as follows:

Age 62	100%	Age 58	92%
Age 61	98%	Age 57	80%
Age 60	96%	Age 56	74%
Age 59	94%	Age 55	68%

LTD

Effective January 1, 1998, all eligible regular full-time and regular part-time employees of the bargaining unit shall participate in the LTD Plan described in the attached summary.

For UPIU Local 7738:

/s/ Phyllis R. Bitterman
Phyllis R. Bitterman

/s/ Douglas L. Parham
Douglas L. Parham

/s/ William C. Warren
William C. Warren

For the Company:

/s/ Gregory B. Elden
Gregory B. Elden

/s/ Ronald W. Dake
Ronald W. Dake

/s/ Michael K. Goodwin
Michael K. Goodwin

(Original Letter of Agreement from Oct. 1, 1997)

Individual Responsible: Richard Lovig

**Letter of Agreement – USW Local 738
Seasonal Workforce Addendum (2/4/08)**

Background

The expressed provisions of Article IV, Section 4.6 of the collective bargaining agreement limit the work of Seasonal Gas Operations employees to gas construction work. According to Article 4.6 of the Contract, the utilization of seasonal employees is intended to reduce the Company reliance upon contractors and enhance the Company's ability to grow the business.

Purpose

In the interest of both parties, the parties are prepared to enter into a letter of agreement to further reduce the reliance upon the contractor and address potential workload imbalances. The parties mutually agree to the following terms to facilitate and support the employment of the Seasonal Gas Operations employees:

- 1) This agreement shall be viewed as neither establishing a precedent and/or past practice.
- 2) This agreement shall not be entered into evidence in any grievance and/or arbitration with the exception of a grievance and/or arbitration seeking enforcement of this agreement.
- 3) The seasonal construction workforce shall be allowed to lower and/or relocate natural gas facilities associated with new business projects, rebuild projects and governmental projects.
- 4) The seasonal construction workforce shall be allowed to install anodes and test boxes for non-capital projects.
- 5) The Company may, at its discretion, approach the Union regarding other non-capital jobs and/or projects that could be assigned to the contractor. A representative of the Union such as the President, the Vice President or other designee, shall approve or reject, on a timely basis, the assignment of the non-capital jobs and/or projects to the seasonal construction workforce.
- 6) In order to avoid a layoff that is in response to a shortage of work, a specific written mutual agreement between the Union and the Company may be executed. This agreement could allow the seasonal construction workforce to be assigned work for the expressed purpose of completing a project, in a specified amount of time, for which they are qualified.
- 7) The Company is not obligated to assign the aforementioned work to the seasonal construction workforce.

This agreement can be terminated, in writing, with thirty days notice by either party. Both parties agree to meet prior to one of the parties requesting the termination of this agreement in an attempt to settle any problems.

SECTION 285.305
Subpart (f)(1)
Labor Contract 738
Test Year Ending December 31, 2012
Utility: MidAmerican Energy Company
Docket No. 13-XXXX

Individual Responsible: Richard Lovig

Both parties agree to the above terms and confirm agreement by their signatures below.

For USW Local 738:

/s/ Dan Clow 2/8/08

Dan Clow Date

/s/ William Warren 2/8/08

Bill Warren Date

For the Company:

/s/ Betty Fleming 2/8/08

Betty Fleming Date

/s/ Ronald W. Dake 2/8/08

Ron Dake Date

/s/ Don Freitag 2/8/08

Don Freitag Date

SECTION 285.305
Subpart (f)(1)
Labor Contract 738
Test Year Ending December 31, 2012
Utility: MidAmerican Energy Company
Docket No. 13-XXXX

Individual Responsible: Richard Lovig

NOTES:

SECTION 285.305
Subpart (f)(1)
Labor Contract 738
Test Year Ending December 31, 2012
Utility: MidAmerican Energy Company
Docket No. 13-XXXX

Individual Responsible: Richard Lovig