

Wage of
04.04.53

SOURCE	CIP		
PER. 2003	06	22	
PER. 2005	12	31	
EMPLOYEES	200		
NOMBRE D'EMPLOYÉS	JP		

COLLECTIVE AGREEMENT

Between

UNION GAS LIMITED

And

COMMUNICATIONS, ENERGY AND PAPERWORKERS UNION



uniongas

OFFICE

- Local 5 – Simcoe Unit
- Local 914 – Sarnia Unit
- Local 938 – London Unit
- Local 758 – Windsor Unit
- Local 999 – Chatham Unit
- Local 8833 – Hamilton / Halton Unit
- Local 8833 – Waterloo Unit

INDEXED

04142 (09)

January 1, 2003 – December 31, 2005

ARTICLE INDEX

ARTICLE	SUBJECT	PAGE
1.....	Definitions.....	1
2.....	Recognition.....	2
3.....	Deduction of Union Dues.....	5
4.....	No Strikes, No Lock Outs	6
5.....	Reservation to Management.....	7
6.....	Representation.....	8
7.....	Grievance Procedure.....	9
8.....	Arbitration.....	11
9.....	Seniority.....	13
10.....	Job Posting and Filling of Vacancies.....	19
11.....	Salaries, Hours of Work and Overtime	22
12.....	Recognized Holidays.....	32
13.....	Vacations	34
14.....	General.....	38
15.....	Sick Pay Benefits.....	53
16.....	Duration of Agreement.....	56
Appendix "A"	Salaries, Job Grades and Titles.....	58
Appendix "B"	Temporary Employees.....	68
Letters of Understanding		70

SUBJECT INDEX

SUBJECT	REFERENCE	PAGE
Accommodation.....	14.18.....	52
Arbitration.....	Article 8.....	11
Benefits.....	14.06(a).....	41
Bereavement Pay.....	14.04.....	40
Bulletin Boards.....	14.08.....	45
Call-Out.....	11.19.....	31
Contracting Out.....	14.05.....	40
Cost of Living Allowance.....	14.12.....	46
Deduction of Union Dues.....	Article 3.....	5
Definitions.....	Article 1.....	1
Duration of Agreement.....	Article 16.....	56
Employee Savings Plan.....	14.19.....	52
Flexible Benefit Program.....	14.06 (a).....	41
Grievance Procedure.....	Article 7.....	9
Hours of Work.....	Article 1 ■.....	22
Incentive Plan.....	14.07.....	43
Job Grades and Titles.....	Appendix "A".....	58
Job Posting & Filling of Vacancies...	Article 10.....	19
Jury Duty.....	14.03.....	39
Layoff.....	9.04.....	14

Leave of Absence14.02.....39

SUBJECT INDEX

SUBJECT	REFERENCE	PAGE
Letters of Understanding		70
Maternity Leave.....	14.10.....	45
No Strikes, No Lock Outs	Article 4.....	6
Orientation Program.....	2.07.....	5
Overtime	11.18.....	30
Paid Personal Days Off.....	14.14.....	49
Pension Plan.....	14.06 (c)	43
Rates of Pay.....	Appendix " A.....	58
Recognition.....	Article 2.....	2
Recognized Holidays.....	Article 12.....	32
Representation.....	Article 6.....	8
Reservation to Management.....	Article 5.....	7
Retiree Benefits	14.20.....	53
Safety Footwear.....	14.15.....	51
Safety and Health.....	14.1 ■.....	46
Salaries.....	Article 11	22
Seniority.....	Article 9.....	13
Shift Premium.....	11.15.....	29
Shift Work.....	Article 11	22

Sick Pay Benefits.....Article 15.....53

SUBJECT INDEX

SUBJECT	REFERENCE	PAGE
Student Employment.....	14.17.....	52
Technological Change.....	14.13.....	48
Temporary Employees.....	Appendix "B".....	68
Temporary Assignments.....	10:07.....	21
Vacations	Article 13.....	34
Weekly Indemnity.....	14.06 (b)	43

AGREEMENT

THIS AGREEMENT
entered into the 16th day of June, 2003

BETWEEN:

UNION GAS LIMITED,
(hereinafter referred to as the “Company”)

OF THE FIRST PART

and

COMMUNICATIONS, ENERGY AND PAPERWORKERS UNION

Local 5, Simcoe Office Unit
Local 758, Windsor Office Unit
Local 914, Sarnia Office Unit
Local 938, London Office Unit
Local 999, Chatham Office Unit
Local 8833, Hamilton/Halton Office Unit
Local 8833, Waterloo Office Unit

OF THE SECOND PART

ARTICLE I

DEFINITIONS

1.01 “Regular Employees” shall include all employees in the Bargaining Unit (who have completed their probationary period) save and except “Temporary Employees”. A “Regular Employee” may be a full-time employee or a Continuous Part-time employee.

1.02

(a) “Temporary Employees” shall mean those employees hired to replace regular employees absent due to illness, accident, vacation or leave of absence or hired to perform work on projects or assignments of limited duration. The employment of temporary employees hired to perform work on projects or assignments of limited duration shall be limited to a period of ninety (90) days of work in any twelve (12) month period, commencing from the date of hire or commencement of employment in such period. The period of employment for temporary employees hired for all other purposes shall be limited to twelve (12) months. A project or assignment of limited duration shall not exceed eighteen (18) weeks’ duration in any twelve (12) month period. Any projects or assignments of limited duration in excess of that provided for herein will be posted.

(b) “Continuous Part-Time Employees” shall mean those employees normally working twenty-four (24) hours per week or less except when used as a replacement for another employee, during emergencies or as needed based on operating requirements. Replacements may be for illness, vacation, paid personal days, training, project work, etc. In respect to operating requirements, agreement of the Union is required to work a Continuous Part-time employee more than three continuous months in excess of twenty-four regular scheduled hours per week.

1.03 Wherever the terms “employee” or “regular employee” appear in this agreement, the relevant provision shall be deemed

to be inapplicable to Temporary Employees unless expressly provided to the contrary. An “Employee” may be either full-time or Continuous Part-time.

1.04 Wherever the term he, she, his, her, etc. is used throughout this agreement, such term is intended to apply to individuals of either gender.

ARTICLE 2

RECOGNITION

2.01 The Company recognizes the Union as the sole bargaining agent and through its elected representatives, as having the right to bargain collectively in respect to salaries, hours of work and such terms and conditions of employment as are dealt with in this agreement, for a unit of employees described as follows:

(a) “With regard to Local 758 (Windsor Clerical Unit), all office employees, and Temporary Employees and Continuous Part-Time Employees of the Company in its Windsor Division of the Western Region save and except Assistant Supervisors, those above the rank of Assistant Supervisor, Technicians, Residential, Commercial and Industrial Sales Representatives, Builder Dealer Representatives and five (5) Secretaries employed in a confidential capacity and serving the Manager, District Operations, the Manager, Operations Administration, the Manager, Plant Services, the Manager, Customer Information, the Manager, Customer Service, the Division Sales Manager, and the Personnel Supervisor.”

(b) “With regard to Local 938 (London Clerical Unit), all regular office and clerical employees, Temporary Employees and Continuous Part-Time Employees of Union Gas Limited in London and St. Thomas, save and except supervisory employees, persons

above the rank of Supervisor, Sales Representatives, Technicians, and five (5) Secretaries employed in a confidential capacity for service to the Manager, Region Operations, the Manager, Operations Administration, the Region Sales Manager, the Manager, Plant Services, the Manager, Customer Service, the Manager, Customer Information, the Manager, Branches, and the Personnel Supervisor.”

(c) “With regard to Local 999, (Chatham Clerical Unit), all regular office and clerical employees, Temporary Employees and Continuous Part-Time Employees of Union Gas Limited of the Chatham Division and all regular office and clerical employees, Temporary Employees and Continuous Part-Time Employees of the Company’s Meter Shop save and except all other employees of the Company’s Head Office, Supervisory employees, those employees above the rank of Supervisor, Sales Representatives, Technicians, and three (3) Secretaries or Stenographers employed in a confidential capacity to the Manager, Region Operations, the Operations Manager, the Division Sales Manager, the Division Supervisor, Customer Service, the Division Supervisor, Plant Services, and the Division Supervisor, Support Services.”

(d) “With regard to Local 5 (Simcoe Clerical Unit), all regular office and clerical employees, Temporary Employees and Continuous Part-Time Employees in the Simcoe and Tillsonburg Branches, save and except Supervisory Employees, those above the rank of Supervisor, Technicians and Sales Representatives, and one (1) Clerk-Stenographer employed in a confidential capacity”.

(e) “With regard to Local 914 (Sarnia Clerical Unit), all Regular Office employees, Temporary employees and Continuous Part-time employees of Union Gas Limited in the City of Sarnia, save and except Supervisors, persons above the rank of Supervisor, Sales Representatives, Technicians, the secretary to the Human Resources Manager/Operations Manager, and the secretary to the Sales Manager.”

(9) “With regard to Local 8833 (Hamilton / Halton Clerical Unit), all office and clerical employees of Union Gas Limited in the City of Hamilton, Town of Ancaster, Town of Milton, City of Burlington and Town of Dunnville save and except Assistant Supervisor, those above the rank of Assistant Supervisor, Sales Representatives, Technicians, Construction Inspectors, Construction and Project Engineers, Analysts, Human Resources and Safety Clerk, Safety Representative, and secretaries to the Manager, Hamilton/Halton Divisions; General Manager, Eastern Region; Manager, Delivery Services; Manager, Business Development; Manager, Support Services; Manager, Customer Contact; and the Manager, Human Resources.”

(g) “With regard to Local 8833 (Waterloo/Brantford Clerical Unit), all office and clerical employees of Union Gas in the city of Waterloo, save and except Assistant Supervisors, those above the rank of Assistant Supervisor, CO-coordinators, Sales and Business Development Representatives, Technicians, Analysts, Construction and Project Engineers, Safety Clerks, Safety Representatives, Human Resources personnel, Secretaries to Managers, and those people for whom a trade union held bargaining rights as of date of application; and all office and clerical employees of Union Gas in the city of Brantford, save and except Assistant Supervisors, those above the rank of Assistant Supervisor, Coordinators, Sales and Business Development Representatives, Analysts, Construction and Project Engineers, Health and Safety Representatives, Human Resources personnel, one (1) Secretary to District management, and those people for whom a Trade Union held bargaining rights as of the date of the certification vote.

2.02 The Union recognizes that the Company is a regulated public utility and therefore the efficient, economical and continuous operation of its plant, offices and services are of prime public interest; that its income is derived principally from gas rates paid by the general public for its product and services and that the rates for its product are fixed in advance by a regulatory authority and

subject to review from time to time by the appropriate governmental authority.

2.03 There shall be no discrimination, intimidation or coercion by either party against any employee eligible for membership in the Union or because of membership or activity in the Union, or because of non-membership in the Union.

2.04 There shall be no discrimination or harassment by the Company or the Union or its members against any employee because of race, ancestry, place of origin, colour, ethnic origin, citizenship, creed, sex, age, marital status, sexual orientation, record of offenses, family status, or handicap, as defined in the Ontario Human Rights Code.

2.05 The Union, its members and/or its agents shall not on Company time or premises conduct Union activities except as hereinafter expressly provided.

2.06 An accredited representative of the Communications, Energy and Paperworkers Union shall not enter the Company's premises without the Company's consent except as hereinafter expressly provided.

2.07 Orientation Program:

The Company will allow a designated representative of the Local or Bargaining Unit up to one (1) hour per calendar month for the purpose of conducting the Communications, Energy and Paperworkers Union New Members' Orientation Program. Such meetings will be conducted during the probationary period of employees, and will be held on Company premises. Employees participating in Orientation Program meetings during their normally scheduled working hours will not suffer loss of pay at their regular rate. Orientation Program meetings will be scheduled by Management and a Management representative may attend as an observer.

ARTICLE 3

DEDUCTION OF UNION DUES

3.01 The Company agrees to deduct from the salaries of all employees covered by this agreement, and during the period of the agreement, an amount of weekly union dues for general union purposes as designated by the President and Financial Secretary of the Local, but excluding special assessments, which relate to special union benefits, and such money shall be paid to the Financial Secretary of the Local not later than the 10th day of each month. The Company shall deduct regular weekly dues for each 37 ½ (40 hours where applicable) hours worked by Continuous Part-Time Employees.

3.02 The Company agrees to furnish the Local monthly with a list of employees for and on behalf of whom such deductions are being made.

3.03 This provision for Union security shall be enforced by the Company against each employee to whom the agreement applies as a condition of his continuance in or entrance into the Company's service except as provided for in the Ontario Labour Relations Act.

3.04 The Company, the Union, and the Local shall do all such acts and things as may be required or necessary to the observance and carrying out of this provision for Union security according to the true intent and meaning hereof.

ARTICLE 4

NO STRIKES, NO LOCK OUTS

4.01 The Company agrees that there shall be no lock out, and

the Union agrees that there shall be no strikes, work stoppage, slow down, restriction of output or interruption of work either complete or partial by the Union or by the employees for any reason whatsoever during the life of this agreement. All disputes between them shall be submitted for settlement in accordance with the grievance and arbitration procedure set forth in this agreement.

ARTICLE 5

RESERVATION TO MANAGEMENT

5.01 The Union acknowledges and agrees that it is the function and the right of the Company to operate and manage its business in all respects in accordance with its obligations, including the following:

(a) the right to select, hire, classify, promote, demote, transfer, layoff, and suspend employees, and also the right of the Company to discipline or discharge any employee for cause provided that a claim by an employee who has acquired seniority that he has been discharged or disciplined without just cause may be the subject of a grievance and dealt with as hereinafter provided.

(b) the right to maintain order and efficiency, formulate, enforce and alter from time to time rules and regulations to be observed by its employees; such rules and regulations shall not be inconsistent with the provisions of this agreement. Alterations, amendments or additions to rules and regulations will be posted on bulletin boards for the information of all employees and a copy shall be forwarded to the Bargaining Unit.

(c) the right to determine the work to be performed, the methods and procedures to carry out such work, the job content, the qualifications to perform the work required, and the number of employees required to perform the work of the Company.

5.02 The Company agrees that it will not exercise its function in a manner inconsistent with the provisions of this agreement.

ARTICLE 6

REPRESENTATION

6.01

(a) The Company will recognize a negotiating committee composed of one regular employee elected or duly appointed by each Local or Unit to represent the Union in any negotiations with the Company.

(b) When an employee serves as a negotiating committee person during his/her normally scheduled working hours he/she will not suffer loss of pay at his/her regular rate for all such hours while attending negotiation meetings and the first two scheduled conciliation meetings.

6.02 Each Local or Bargaining Unit shall elect or appoint and the Company shall recognize a committee to be known as the Grievance Committee composed of three (3) members who represent at least two (2) departments, the Local President or Bargaining Unit Chairperson and his/her designated alternate. It shall be the duty of each committee to receive all grievances of the members of the Local or Bargaining Unit it represents, and after due investigation and consideration of the pertinent facts, to determine whether the grievances submitted are bona fide and well-founded and are required to be dealt with under the grievance procedure.

6.03 When an employee serves as a member of the Grievance Committee during his/her normally scheduled working hours, he/she will not suffer loss of pay at his/her regular rate for all such hours while dealing with the grievance up to and including Step 3 of the grievance procedure.

6.04 An accredited representative of the Communications, Energy and Paperworkers Union shall be entitled to participate in meetings between the Company and the Local when so requested

by the Local provided at least 48 hours' prior notice has been given to local management.

6.05 The Local or Bargaining Unit shall notify the Company in writing, through the Manager, Labour and Employment Relations, of the names of those employees who are designated as members of the negotiating and grievance committees respectively, its Local or Bargaining Unit officers and the employee designated to receive official correspondence relating to the Local or Bargaining Unit, whenever a change takes place.

6.06 Where a supervisor requires a formal interview with an employee in order to establish the facts of any given case which may result in discipline to that employee, the employee concerned will be provided with representation of an elected Union official during such interview unless the employee requests otherwise.

6.07 Before leaving their regular duties members of the committees referred to in this Article shall make arrangements with their immediate supervisor, or in his absence his delegate, and will not absent themselves unreasonably in order to deal with business appropriate to their Union position.

ARTICLE 7

GRIEVANCE PROCEDURE

7.01 The purpose of this Article is to establish a procedure for the orderly settlement of grievances. A grievance shall be considered to exist when it is alleged that there is a violation of this agreement arising from the interpretation, application or failure to comply with the terms thereof. It shall be optional with the Company or the Union to consider any grievance, the alleged circumstances of which occurred more than thirty (30) days prior to its written presentation. When a grievance arises, an earnest effort shall be made to settle it by the Company, the employee

concerned, and the Union, and it shall be handled in the Steps as hereinafter provided.

7.02

Step No. 1 – Any regular employee who has a grievance shall present the grievance verbally to his Supervisor and will be accompanied by a Steward. The Supervisor shall state his decision verbally within three (3) working days of such meeting. If this verbal decision does not satisfactorily adjust the grievance, it may be appealed to Step 2 following.

Step No. 2 – Notice of appeal must be made within seven (7) working days of the verbal decision, in writing, in triplicate, on forms supplied by the Union, and signed by the aggrieved employee and two members of the Grievance Committee. It shall be appropriately dated showing the date of the grievance, particulars of the incident giving rise to the grievance, the Article and Section of the Collective Agreement alleged to have been violated, the date of the submission, as well as the corrective action requested of the Company, and shall be presented to local management designated to handle Step 2. Within five (5) working days of receipt of the appeal or within any agreed upon extension, local management designated to handle Step 2 will meet with up to two (2) members of the Grievance Committee in an attempt to resolve the grievance. A written decision shall be given by local management designated to handle Step 2 within five (5) working days of the date of such meeting. If this written decision does not satisfactorily adjust the grievance, it may be appealed to Step 3 following.

Step No. 3 – Notice of appeal must be given in writing by dating and signing the grievance forms within ten (10) working days from the written decision of local management, or their designate, through the Manager, Labour and Employment Relations, setting forth the areas or points of disagreement with the Step 2 written decision. The Manager, Labour and Employment Relations, will arrange a Management Committee to meet with up to two (2)

members of the Grievance Committee and the Local President, or Bargaining Unit Chairperson, or his/her designated alternate, within seven (7) working days or a time mutually agreed upon. The two committees jointly will discuss the grievance and may request the attendance of any person or persons interested or involved. The Management Committee will render its decision in writing within seven (7) working days from the date of such meeting to the Local or Bargaining Unit. If the Committee's decision does not bring about a satisfactory settlement, the grievance may be referred by either party to arbitration as provided for in Article 8.

7.03 Should a regular employee claim that he has been unjustly discharged and wishes to seek redress under the grievance procedure, he must present such grievance, in writing, within five (5) days of his discharge and may do so at Step 2 of the grievance procedure.

7.04 Failure by the Company to reply to grievances within the time limits provided in this agreement, or any agreed upon extension, will result in the grievance being processed to the next Step within the grievance procedure.

7.05 An employee and/or Steward shall obtain the permission of his Supervisor before interrupting or leaving his work to deal with a grievance. Permission will not be arbitrarily or unreasonably withheld.

7.06 In this Article 7 only, when computing working days, Saturdays, Sundays and recognized holidays shall not be included.

ARTICLE 8

ARBITRATION

8.01 Where a difference arises between the parties relating to the interpretation, application or administration of this

agreement, including any questions as to whether a matter is arbitrable, or where an allegation is made that this agreement has been violated, either party may after exhausting any grievance procedure established by this agreement, notify the other in writing of its desire to submit the difference or allegation to arbitration. The notice shall contain the name of the party's appointee to an Arbitration Board and shall be delivered to the other within thirty (30) days of the reply under Step 3 of the Grievance Procedure. The recipient party shall, within ten working days, advise the other of the name of its appointee to the Arbitration Board.

8.02 The two appointees so selected shall appoint a third person who shall be the Chairman. If the recipient party fails to appoint its member or if the two appointees fail to agree upon a Chairman, the appointment shall be made by the Minister of Labour upon the request of either party. The Arbitration Board shall hear and determine the difference or allegation and shall issue a decision and the decision shall be final and binding upon the parties and upon any employee affected by it. The decision of a majority shall be the decision of the Arbitration Board.

8.03 No person may be appointed as an arbitrator who has been involved in an attempt to negotiate or settle the grievance.

8.04 The Board of Arbitration shall not have power to alter or change any of the provisions of this agreement, nor to substitute any new provisions for any existing provisions, nor to give any decision inconsistent with the terms and provisions of this agreement.

8.05 Where a grievance resulting from a discharge or suspension which is filed under Article 7 is not settled and duly comes before an arbitration board, the board may make a ruling:

- (a) Confirming the employer's action; or
- (b) Reinstating the employee with compensation for regular

time lost (except for the amount of any remuneration or compensation the employee has received from any other source pending the disposition of his case); or

(c) Disposing of the grievance in any other manner that may be deemed by the board to be just and equitable.

8.06 The fees and expenses of the Chairman shall be paid one-half each by the Company and the Union.

ARTICLE 9

SENIORITY

9.01 New full-time employees will be considered as probationary employees until they have been employed continuously for a three (3) month probationary period.

New Continuous Part-Time employees will be considered as probationary until they have been employed continuously for a probationary period the greater of three hundred and twelve (312) hours worked or three months.

Probationary employees shall have no seniority rights but after completing the probationary period their seniority shall be dated back to the date of commencement of the probationary period.

9.02 Seniority shall be applied on a Bargaining Unit basis. The Company will prepare semi-annually a seniority list showing the seniority and the job grade of all employees within the scope of this agreement and will post such list in places accessible to all employees. Such list will be open to protest for a period of thirty (30) days from the date of posting, and if an employee considers that an error has been made action to correct such alleged error is to be made through his/her supervisor to the Human Resources

Department and upon satisfactory proof of error, a correction shall be made immediately. The Company will supply a copy of the seniority list to the Bargaining Unit.

9.03 Seniority and employment shall be deemed to be terminated if an employee:

(a) Voluntarily leaves the employ of the Company.

(b) Is discharged for just cause and is not reinstated pursuant to the provisions of this agreement.

(c) Is absent without an acceptable reason for three (3) consecutive working days without notifying the Company during such period of the reason for such absence, unless the reason for failure to notify is justifiable.

(d) Fails to return to work on the day specified at the end of a leave of absence, unless the reason for failure to return is acceptable to the Company.

9.04

(a) For the purposes of Article 9, Section 9.04, a reduction in the number of employees in a job due to the volume of work or for economic reasons shall be deemed to be a layoff.

(b) For the purposes of Article 9, Section 9.04, "location" shall mean the branch office at or out of which the employee works.

(c) Layoffs and recalls shall occur in the manner hereinafter set forth, provided that the employees who remain are capable, willing and available to do the work required.

(d) In the event layoffs are required, the following procedure shall be followed:

(i) All Temporary Employees shall be laid off first.

(ii) All Probationary Employees shall be laid off in the respective departments where the layoffs occur.

(iii) All Probationary Employees throughout the Bargaining Unit shall be laid off.

Thereafter employees shall be laid off in accordance with Article 9, Section 9.04 (e) and / or (9 as applicable.

(e)

(i) In the event of a layoff in a full-time job in a location, the most junior full-time employee in such job in the location shall be the first to be laid off and may:

(a) displace the most junior seniority employee in the Bargaining Unit for which he/she is qualified and for which his/her seniority would entitle him/her; or

(b) in the event the most junior seniority employee in the Bargaining Unit is not in a full-time job, displace the most junior full-time employee in the Bargaining Unit for which he/she is qualified and for which his/her seniority would entitle him/her; or

(c) fill any vacancy which there exists for which he/she is qualified and for which his/her seniority would entitle him/her.

(ii) In the event that more than one employee is laid off at the same time, the senior such employee shall have preference as to which junior seniority employees affected they displace.

(f)

(i) In the event of a layoff in a Continuous Part-time job in a location, the most junior Continuous Part-time employee in such job

in the location shall be the first to be laid off and may:

(a) displace the most junior seniority employee in the Bargaining Unit for which he/she is qualified and for which his/her seniority would entitle him/her; or

(b) in the event the most junior seniority employee in the Bargaining Unit is not in a Continuous Part-time job, displace the most junior Continuous Part-time employee in the Bargaining Unit for which he/she is qualified and for which his/her seniority would entitle him/her; or

(c) fill any vacancy which there exists for which he/she is qualified and for which his/her seniority would entitle him/her.

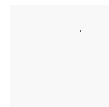
(ii) In the event that more than one employee is laid off at the same time, the senior such employee shall have preference as to which junior seniority employees affected they displace.

(g) An employee who is laid off and who displaces another employee in accordance with Article 9, Section 9.04 (e) and / or 9.04 (9) will be placed in the new job in accordance with the provisions of Article 11 but shall be paid not less than his regular rate of pay for the job which he occupied immediately prior to layoff, unless such employee successfully bids for a job of the same or lower grade than the new job in which case the employee's rate of pay will be adjusted to the employee's current step in the grade of the job. Further, an employee receiving such an adjusted rate shall be exempt from any contractual increases until the scheduled grade salary range provides a salary level which exceeds his adjusted rate, at which time he will receive the rate assigned to his then current salary grade level.

(h) Employees who are displaced from their jobs as a result of a layoff, while at work, shall be recalled, in order of seniority, to their original job from which they were laid off or displaced, for a

period of one year from the respective dates of the employees' original layoff or displacement, except in those cases where such employees have successfully bid for another job pursuant to Article 10.

(i) All employee "Choices" Flexible Benefit plan coverages will cease on the first of the month following the month in which an employee is laid off, except in the case of:



Employee Life Insurance
Extended Health Care Plan
Dental Plan

in which case the Company shall continue coverage for three months following the month in which an employee is laid off and not thereafter.

The Company may not alter the employee's flex benefit choices during this period. The employee's flex credits will be recalculated and the employee will be responsible to compensate the company for any incremental costs associated with these benefits. Similarly, the company will compensate the employee for any under utilization of the available flex credits.

(j) A full-time employee who is laid off and displaces a Continuous Part-time employee must accept all the terms and conditions of employment applicable to a Continuous Part-time position.

(k) An employee who is laid off and who has not displaced another employee in accordance with the foregoing procedure shall be considered for employment as a Temporary Employee before new employees are hired for such positions provided that the employee accepts all of the terms and conditions applicable to such employment. An employee's recall rights shall not be affected if he accepts employment as a Temporary Employee. However, any period of employment as a Temporary Employee shall not affect the period of layoff referred to in Article 9, Section 9.05 and shall not be deemed to be a recall for purposes of that Section.

(l) Notwithstanding Sections 9.04 (e) and (9), a laid off employee may, with Company approval, elect to be laid off from the Company rather than exercising his seniority rights to displace a junior employee.

(m) Any period of layoff shall not be included for the following

purposes:

(i) in calculating “continuous service” for purposes of entitlement to vacation and vacation pay;

(ii) in calculating time worked during any qualifying period for purposes of job progression as outlined in Appendix “A” and Article 11;

(iii) in calculating entitlement to Scheduled Paid Personal Days Off pursuant to Article 14, Section 14.14. Entitlement to such days shall be reduced on a prorated basis by the period of layoff;

(iv) in computing continuous service for any pension plan, except for the first three (3) months of any lay off period.

(n) The Company will be under no obligation to post where a vacancy is filled by operation of Article 9, Section 9.04 (h).

(o) Seven (7) days prior to a layoff, a list of employees affected shall be given to the Bargaining Unit concerned, and at that time, the Company will discuss the reason for the layoff with the Bargaining Unit.

9.05 Subject to Article 9, Section 9.04 (h), if within two years following a layoff there is an increase in the working force, employees who have retained unit seniority shall be recalled in order of past seniority before any new employees are hired, providing such former employees are capable, willing and available to do the work required. This preference shall be lost if an employee fails to report for work within six (6) working days following dispatch of notification from the Company by registered mail to his last address as shown on the records of the Company, unless such failure to report is a result of circumstances beyond the employee’s control. In such case this employee will not displace employees with less seniority who may have been

recalled but will retain employment preference as provided in this section.

9.06

(a) If an employee is transferred to a position that is not subject to Article 2, 2.01 he shall retain all accumulated seniority as of the date of transfer. If transferred back to a position within the Bargaining Unit he shall be credited with this seniority.

(b) The foregoing shall not be construed as giving the right to any such employee while excluded from the Bargaining Unit to bid or make application in respect of any posted job vacancy or new position or to give the Company the right to place any such employee in any vacancy or new position except in the case where there is no successful applicant from the Bargaining Unit to which this agreement applies.

9.07 In no circumstances shall an employee who has acquired seniority lose his seniority because of absence due to illness provided the employee satisfies the Company of such illness. If he is physically unable to do the same work or work similar to that which he was doing prior to his illness, the Company shall endeavour to transfer him to suitable work.

9.08 Seniority shall continue to accumulate during an employee's leave of absence granted under Article 14, 14.02.

ARTICLE 10

JOB POSTINGS AND FILLING OF VACANCIES

10.01

(a) When an employee leaves the Company or is transferred or promoted to a position either within or outside the scope of this agreement and management determines that his leaving does not, at that time, create a vacancy, notice to this effect will be posted within ten (10) working days. If at a later date a vacancy is deemed to exist, such vacancy will be posted as in 10.01 (b).

(b) All vacancies (other than those due to temporary absence of employees) and newly created jobs coming within the scope of this agreement shall be posted on Company bulletin boards for six (6) calendar days. Such notices will show the job title, job grade and salary range and the required qualifications. Copies of such bulletins shall be forwarded to the Bargaining Unit concerned.

(c) Prior to posting a job, the qualifications or requirements for which have been changed, the Company will provide the union one (1) week's notice.

10.02

(a) Any employee believing he has the appropriate qualifications shall apply in writing to designated management on forms provided by the Company within the six (6) calendar day period above specified, stating his qualifications for the vacancy.

(b) An employee who bids on a job vacancy and is the successful applicant need not be considered on a subsequent job vacancy for a period of six (6) months from being named as the successful applicant except by mutual consent of the Company and the Local or Bargaining Unit concerned.

10.03 With qualifications for and requirements of a job being met by the applicant, the employee having the greatest seniority will be given the promotion or transfer to the higher paid job within the scope of this agreement. Should the senior applicant not be selected to fill the vacancy, the Company will discuss the reasons with the Bargaining Unit.

10.04 Within ten (10) working days of the expiry date of a posting or an agreed upon extension the Company will post the name of the successful applicant, if any, in the same manner as the vacancy was posted.

10.05 The successful applicant will be reclassified and his or her progression date will commence within thirty (30) days from the date of the posting of the name of the successful applicant. Wherever practicable the successful applicant will be transferred to his or her new position within this thirty (30) day period having regard to the efficiency of the operation. However, where it is not practical to do so the employee will be transferred within a reasonable period of time thereafter and the Company will follow its past practice of ensuring that, commencing from the date established above as the date of reclassification, the employee will reach the maximum rate for his or her position within the normal progression for that position, notwithstanding any delay in transferring the employee to the new position subject to the employee meeting the necessary qualifications and requirements. The reason for the delay will be explained to the Bargaining Unit. Bulletined vacancies may be filled temporarily not exceeding thirty (30) days from the date of naming the successful applicant.

10.06 If prior to or during a period of absence an employee has filed with his supervisor an application for a job, and such job becomes vacant during his absence, his application will be considered in the usual manner when filling the job vacancy. Where selection is made in favour of the absent employee the Company will endeavour to hold the appointment until his return providing such delay does not seriously interfere with the progress of the job.

10.07 Temporary assignments for a period not exceeding fifteen (15) working days (10 months in the case of authorized leave of absence; 12 months in the case of pregnancy/parental leave of absence) may be made by the Company without regard to posting, but following such period the position, if then deemed to be vacant, shall be filled in accordance with the established procedure for the filling of vacancies. An employee so temporarily assigned will maintain their normal rate of pay. If the temporary assignment is for the complete normal daily work schedule of the position the employee is being temporarily assigned to, the employee will be

paid the greater of their normal rate of pay or at the next higher rate than their current rate in the higher grade if the assignment is to a higher graded job for the period of the temporary assignment.

ARTICLE 11

SALARIES, HOURS OF WORK AND OVERTIME

11.01

(a) The parties hereto agree to the salary schedule and progression as set forth in Appendix "A" of this agreement. Salary progression from Step to Step shall be governed by time intervals specified in Appendix "A", subject to satisfactory job performance and normal salary progression will follow the salary step sequence within a job grade until the maximum rate is reached, except as provided otherwise by applicable provisions of this Article 11.

(b) The parties hereto further agree to a job evaluation plan for the purpose of determining the relative levels of job grades covered by this agreement. Structure and operation of such job evaluation plan shall be as contained in the "Job Evaluation Booklet" which is considered to be part of this collective agreement. The parties agree that the contents of the Job Evaluation Booklet, which are subject to agreement between the parties, may be revised from time to time as necessary.

11.02

(a) Salary adjustments for full-time employment will become effective on the beginning of the pay period closest to the anniversary of an employee's review date. The review date for full-time employees will normally be the anniversary of their employment date except as otherwise provided elsewhere in 11.06.

(b) Continuous Part-Time Employees will be paid a rate of pay in accordance with the grade established for the job subject to

the hours actually worked. Salary progression from Step to Step will follow the equivalent hours worked by a regular full-time employee as specified in Appendix "A", subject to satisfactory job performance, and salary progression will follow this salary step sequence within a job grade until the maximum rate is reached.

In circumstances where the content of the job substantially differs from that of regular employees in the same job, the appropriate grade level will be proposed to the local union representatives of the Job Evaluation Committee for agreement. Should agreement not be reached at the local level, the local representatives may request review by the Job Evaluation Committee in order to determine the grade of the job.

11.03 New employees starting at Step 1 of a job grade will receive an increase to Step 2 in the job grade on satisfactory completion of a three (3) month probationary period for full-time employees (488 straight-time hours worked for Continuous Part-time employees) and full-time employees upon completion of not more than an additional six (6) months of continuous employment with satisfactory performance on the job will receive an increase to Step 3 in the job grade (975 straight-time hours worked for Continuous Part-time employees). Thereafter, salary progression will follow normal salary progression as provided in 11.01 above.

11.04 The starting salary will be Step 1 of the grade for which the employee has been employed except:

Where it is necessary to recruit an employee having less than one year of related business experience to fill a job opening in Grade 4 or above, such an employee will be placed at the starting rate of the grade immediately preceding that of the job opening for which he or she is employed. A full-time employee will remain in this lower grade for not more than three (3) months (488 straight-time hours worked for Continuous Part-time employees).

Subsequent increases will follow the regular pattern of

the grade structure as provided in 11.01 and 11.03 above.

11.05 On promotion or transfer to a higher grade the salary will remain unchanged unless:

(a) The rate paid prior to transfer is less than Step 1 of the grade to which the employee has transferred in which case the salary will be increased immediately to Step 1 of such higher grade; or

(b) The employee has been at Step 5 of any grade for more than one year prior to the date of transfer to a higher grade in which case the salary will be increased immediately to the next higher rate in the new grade.

11.06

(a) On promotion or transfer to a higher grade, the date of the full-time employee's next review will be as follows:

(i) At the time of the next scheduled review date as previously determined in the lower job; or

(ii) In accordance with the time intervals specified in Appendix "A" if such time interval is less than the next scheduled review date as previously determined in the lower job; or

(iii) The maximum period of time specified in Appendix "A" commencing with the date of transfer for employees who upon transfer receive an immediate increase as provided in 11.05 (a) and (b). Subsequent review dates will follow the regular pattern of the grade structure as provided in Appendix "A".

(b) On promotion or transfer to a higher grade, the date of the Continuous Part-time employee's next review will be based upon straight-time hours worked, not calendar periods, using the

same criteria as in 11.06 (a).

11.07 The salary of an employee which exceeds the grade salary range maximum will be known as a red circled rate. Such salary normally will remain at this rate until either an amended grade salary range provides a salary level which exceeds the red circled rate, or until the employee is promoted to a job in which the salary range provides a salary level which exceeds the red circled rate.

11.08 If a new classification is established by the Company which is included in the Bargaining Unit or the job content of an existing classification within the Bargaining Unit is substantially changed, the job grade for such classification shall be established by a Job Evaluation Committee in accordance with the existing Job Evaluation Plan. The Job Evaluation Committee shall include two employees appointed by the local Union. Such employees will participate in the evaluation of jobs within their Local's jurisdiction. In the event the Union disagrees with the grade of a job as established by the Committee, the issue as to the job grade may be referred to arbitration, such arbitration to be established in accordance with the provisions of this agreement, except that grievances dealing with job grade disputes shall commence at Step 3 of the grievance procedure and that there shall be a sole arbitrator. The sole arbitrator shall deal with the matter within sixty days of the referral of the matter to arbitration. Job grades in dispute shall remain at the existing job grade level pending the results of arbitration.

The employee members of the Job Evaluation Committee shall not suffer any reduction of their regular pay in respect of any regular time lost while attending meetings of the Committee held during the employee's normally scheduled working hours.

The employee members of the Job Evaluation Committee will be granted the greater of:

- One (1) hour, or
- One-half (1/2) hour per job being evaluated to a maximum of three (3) hours,

from their regular schedule, without loss of pay, for purposes of preparing for each scheduled Evaluation Committee meeting. A scheduled meeting may be more than one day. The scheduling of such preparation period will be subject to the approval of the employee's supervisor and will normally occur within one (1) week prior to the date of the Evaluation Committee meeting. It is understood that during this preparation period, the Committee members are not authorized to disturb the work of other employees not serving on the Committee.

1 109

(a) Should the level of a job be increased, any resulting changes will be treated as a promotion or transfer and will be handled in accordance with the provisions of 11.05 and 1 106. The movement of such an employee from the lower to the higher job grade shall not be considered as the filling of a job vacancy.

(b) Should the level of the job be decreased, incumbent employees will continue to receive wage rates and progression in accordance with the previous job grade and will receive all general wage increases for a period of twelve (12) months from the effective date of the job down grade or until such employee leaves this job, whichever occurs first. At the end of this twelve (12) month period such employee will be considered to be in the Step of the lower grade that commands the equivalent rate. Such employee's next review date in the lower job will be the next scheduled review date as previously determined in the higher grade or in accordance with the time intervals specified in Appendix "A" if such time period is less. If there is no equivalent rate in the lower grade the employee's rate will be red circled until the amended grade salary range provides a salary level that exceeds the red circled rate or until the employee transfers to a job in which the salary range

provides a salary level that exceeds the red circled rate.

11.10

Hours of Work – Full-Time Employees

(a) The normal hours of work for full-time employees covered by this agreement are 7 ½ hours per day and 37 ½ hours per week, except:

- (i) Dispatcher Planner – London Office Unit,
- (ii) Receptionist– Brantford Office Unit,
- (iii) Utility Services Clerk (Waterloo); Drafter-Estimator (Waterloo); Receptionist (Waterloo & Brantford); Locate Clerk (Waterloo),
- (iv) Drafter-Estimator – Hamilton Office Unit

whose normal hours of work are 8 hours per day and 40 hours per week.

(b)

(i) Local 758 - Day Worker is an employee assigned to work normally Monday through Friday, and daily schedules will be confined to the period between 8 a.m. and 5 p.m. Such employees will be granted a one-half or one hour unpaid lunch period.

(ii) Locals 938, 999, 5, 914, 8833 - Day Worker is an employee assigned to work normally Monday through Friday and daily starting times will be between the period 7:00 a.m. and 9:00 a.m. Such employees will be granted a 1/2 hour or 1 hour unpaid lunch break.

(c) Shift Worker is an employee regularly assigned to work rotating shifts on days and hours other than Monday to Friday 8

a.m. to 5 p.m. He or she works any five (5) consecutive days in the seven (7) day workweek in accordance with the work schedule.

(d) Swing Shift Worker is defined as above in 11.10 (c) except that he or she is required to work any five (5) days in the seven (7) day workweek in accordance with the work schedule.

(e) The hours of shift work will be as follows:

Dispatcher-Planner

“D” Shift 8:00 a.m. to 4:00 p.m.

“E” Shift 4:00 p.m. to 12:00 Midnight

“M” Shift 12:00 Midnight to 8:00 a.m.

“ A Shift by voluntary manning

1:00 p.m. to 9:00 p.m., Monday through Friday

The above employees will have 20 minutes paid time for lunch which will normally be carried and eaten on the job.

Commitment Clerk

The hours of work for full-time employees in this position will be between the hours of 8:00 a.m. and 9:00 p.m., Monday to Friday.

(9) Notwithstanding the provisions of this article, the parties may agree locally to hours of work other than those set out herein.

11.11

Hours of Work – Continuous Part-time Employees

The scheduling of daily starting times, the minimum or maximum daily hours of work, and the scheduling of such days of work for Continuous Part-time employees shall be at the discretion of management. Work schedules will be posted at least two (2) weeks in advance and if such schedules are changed by the

Company with less than forty-eight hours notice, the change of schedule provisions of this collective agreement will apply.

11.12 Starting times for full-time employees may be advanced or retarded by one-half (1/2) hour or one (1) hour on certain jobs as a result of a change in workload and after consultation with the Local.

11.13 Insofar as possible, shift work will be kept to a minimum. However, it is understood and agreed that employees will be required to work on a shift basis to complete assigned work.

11.14 Work schedules for full-time employees, which will be determined locally, covering day work, shift work including Saturday, Sunday, holiday work and indicating employees' days off will be kept posted at least two (2) months in advance and every effort shall be made to project such schedules as far in advance as possible.

11.15 Shift Premium

A shift premium will be paid to employees working regularly scheduled "A", "E" or "M" shift hours commencing with the scheduled starting time of the employee's scheduled shift and for all hours worked subsequent to and in conjunction with the employee's regular schedule as follows:

Regularly scheduled "A" Shift hours -
(\$1.14 – June 22/2003; \$1.15 – Sept. 14/2003;
\$1.19 – Jan. 4/2004; \$1.22 – Jan. 2/2005)

Regularly scheduled "E" Shift hours -
(\$0.76 – June 22/2003; \$0.77 – Sept. 14/2003;
\$0.79 – Jan. 4/2004; \$0.82 – Jan. 2/2005)

Regularly scheduled "M" Shift hours -
(\$1.02 – June 22/2003; \$1.03 – Sept. 14/2003;
\$1.06 – Jan. 4/2004; \$1.09 – Jan. 2/2005)

An additional **Sunday premium** of \$1.65 – June 22/2003; \$1.67 – Sept. 14/2003; \$1.72 – Jan. 4/2004; \$1.77 – Jan. 2/2005 will be paid to employees working regularly scheduled hours of work on Sunday in accordance with the posted work schedule. Shift premium or Sunday premium will not be included in computing overtime pay, vacation pay or pay for holidays not worked.

11.16 Full-time Employees assigned to shift work as provided in 11.10 above whose schedule is changed by the Company with less than forty-eight (48) hours prior notice from the commencement of the changed schedule, will be paid one and one-half times their regular rate for the first shift of the changed schedule. This premium shall not apply when change of shift schedule is due to:

- (i) Mutual exchange of shift,
- (ii) Absence as a result of union business,
- (iii) An employee reverting to his regular shift schedule,
- (iv) An employee working in accordance with the prearranged schedule as defined in 11.10 and 11.14 above.

11.17 Employees required to work six (6) or seven (7) consecutive days as a result of their schedule being changed by the Company shall be compensated for the sixth (6th) or seventh (7th) day at the applicable overtime rate stated for an employee's first scheduled day off in the case of the sixth (6th) consecutive day's work and for an employee's second scheduled day off in the case of the seventh (7th) consecutive day's work.

11.18 Overtime

It is understood and agreed that the Company's operations must be maintained and that employees are required by the Company to respond to reasonable requests to work overtime for this purpose. The Company will endeavour to allocate overtime

work equitably among those employees who are qualified to perform such work.

(a) **Full-time Employees:** Overtime is defined as authorized work outside an employee's regular schedule and is computed on the basis of a 24 hour period commencing from the beginning of the employee's scheduled hours.

The Company will pay overtime rates to an employee as stipulated below:

(i) Within each scheduled 24 hour period after an employee has worked 7½ straight time hours (8 straight time hours where applicable), or has received payment from the Company for such scheduled hours e.g. sick pay, make-up pay, compensation, bereavement etc., or has received prior authorization to be absent for such scheduled hours;

Double time for all hours worked beyond the 7 ½ (8 where applicable) defined above in this 24-hour period unless such work is the result of a change in work schedule in which case the work schedule provision in Section 11.14 and 11.16 apply.

and

(ii) On a weekly scheduled hours basis, when an employee has worked his regular scheduled hours or has received payment from the Company for such scheduled hours e.g. sick pay, make-up pay, compensation, bereavement, etc., or has received prior authorization to be absent for such scheduled hours;

Double time for all hours worked on an employee's scheduled day off.

(b) **Continuous Part-time Employees:** Overtime will be

paid for all hours worked in excess of 7 ½ hours per day (8 hours per day as applicable) or 24 hours per week, except in the latter case where a Continuous Part-time employee is used as a replacement for another employee, during emergencies, or as needed based on operating requirements, in which case the Continuous Part-time employee shall receive overtime after 37.5 hours per week (40 hours per week as applicable).

11:19 An employee required to work in response to a call out from his home without prior notice will be paid a minimum of two (2) hours at the rate of double times the employee's basic rate. All hours required to complete the call out beyond the minimum two (2) hours will be paid at the applicable overtime rate.

11:20 An employee who is required to work overtime and has not had five (5) hours rest in the eight (8) hour period preceding the individual's next regular shift shall be provided time off without loss of regular pay for up to five (5) hours less the employee's actual rest time. Such time off with pay shall be considered as time worked for the purpose of computing overtime.

ARTICLE 12

RECOGNIZED HOLIDAYS

12.01

(a) The Company will recognize the holidays listed below:

New Year's Day	Thanksgiving Day
Good Friday	Christmas Eve Day
Victoria Day	Christmas Day
Canada Day	Boxing Day
Civic Holiday	New Year's Eve Day
Labour Day	

A 12th Recognized Holiday will be observed on Heritage Day

if and when the Federal Government proclaims Heritage Day a statutory holiday and it will be observed as such by the Company in accordance with all the provisions of this Article 12 - subject to the following provisions:

(b) If any of the other holidays listed above are Provincially observed on days other than the traditional calendar date, then such observed days shall be considered the holidays for the purpose of time off work with pay, or payment for work on a holiday, excepting only Christmas Day and New Year's Day for employees assigned to a shift in accordance with the shift schedule in effect. In this case, only the traditional calendar date will be recognized as the holiday for purposes of time off work with pay or payment for work on a holiday.

12.02 All regular full-time employees are entitled to seven and one half (7 1/2) hours' holiday allowance (8 hours where applicable) at their straight time rate for the recognized holiday as provided for in Section 12.01 (a) subject to the following conditions:

All regular Continuous Part-time employees are entitled to a holiday pay allowance, based upon the employee's base rate of pay for straight-time hours worked in the thirteen weeks preceding the week of the holiday divided by the number of days worked in this thirteen week period, for the recognized holiday as provided for in Section 12.01 (a) subject to the following conditions:

(a) When a recognized holiday listed herein falls within a regular employee's vacation period, or on his scheduled day off, such employee shall be granted the option of either the corresponding time off with pay or a day's pay in lieu thereof. Such option shall be made known to the employee's supervisor at least thirty (30) days preceding the recognized holiday.

(b) A regular employee will not be paid for a recognized holiday unless he works his last scheduled day immediately

preceding, and the first scheduled day immediately following such holiday except where such absence is due to illness as provided for in Section 15.01, bereavement leave as provided for in Section 14.04, jury duty as provided for in Section 14.03, and a doctor or dentist appointment verified in writing, or written authorization from management.

(c) In the event that a recognized holiday falls during a period of absence from work for which an employee is receiving indemnity under the Sickness and Accident Insurance Plan or is receiving Workplace Safety Insurance Board benefits, insured sick pay will be paid for the holiday to the extent appropriate under the sick pay provisions.

(d) Payment for a holiday will not be made to a regular employee on leave of absence without pay, unless such regular employee has worked at least twelve (12) days during the thirty (30) calendar days immediately preceding the holiday.

(e) Holiday pay will not be paid to regular employees who are scheduled to work on a recognized holiday and do not report for work or who report for work and fail to complete their schedule, unless such absence or failure is, in the opinion of management, due to a justifiable reason.

12.03

(a) Employees required to work on a corresponding day off with pay scheduled in accordance with Section 12.02 (a) shall be paid at the rate of double time for all hours worked. This payment is in addition to holiday pay as provided for in Section 12.02.

(b) Employees who have elected a corresponding day off with pay for a recognized holiday in accordance with Section 12.02 (a), and who are subsequently required to work on the observed calendar date for such recognized holiday, shall be paid at the applicable overtime rate as provided for in Section 11.18.

12.04 Employees required to work on a recognized holiday as provided for in Section 12.01 (a) and (b), except as provided for in 12.03 (a) and (b), shall be paid at the rate of double time for all hours worked. This payment will be in addition to either the holiday pay provided for in Section 12.02 or the corresponding time off with pay providing the employee receives approval from his/her supervisor prior to working the recognized holiday. If prior approval is not given for the taking of corresponding time off with pay, the employee will be granted the appropriate holiday pay as provided for in Section 12.02.

ARTICLE 13

VACATIONS

13.01 Vacations with pay shall be computed on the basis of an employee's normal scheduled weekly full-time or Continuous Part-time hours, as applicable, times his / her straight time rate and shall be granted subject to the following:

(a) Upon satisfactory completion of probation and appointment as a regular employee, new employees shall be entitled to vacation with pay on the basis of one day for each 36 calendar days of employment completed during the calendar year

in which they were hired.

All vacation entitlements earned and owing in the first calendar year of employment will be taken within, or shortly following, such first year. Under normal circumstances, such vacation entitlements may not be added to or taken with future vacation entitlements.

Where probationary employees are appointed to regular employee status in the second calendar year of employment, earned vacation entitlements will be taken at that time, or shortly following the time of their appointment. Under normal circumstances such vacation entitlements may not be added to, and taken with, future vacation entitlements.

(b) During the second and up to and including the calendar year in which two (2) years of continuous service are completed, each employee will be entitled to two (2) weeks' vacation subject to employment continuing throughout the calendar year.

(c) During the calendar year in which three (3) years of continuous service are completed and up to and including the calendar year in which nine (9) years of continuous service are completed, each employee will be entitled to two (2) weeks' vacation subject to employment continuing throughout the calendar year.

(d) During the calendar year in which ten (10) years of continuous service are completed and up to and including the calendar year in which seventeen (17) years of continuous service are completed, each employee will be entitled to three (3) weeks' vacation subject to employment continuing throughout the calendar year.

(e) During the calendar year in which eighteen (18) years of continuous service are completed and up to and including the

calendar year in which twenty-four (24) years of continuous service are completed, each employee will be entitled to four (4) weeks' vacation subject to employment continuing throughout the calendar year.

(9) During the calendar year in which twenty-five (25) years of continuous service are completed and during each succeeding year of continuous service, employees will be entitled to five (5) weeks' vacation subject to employment continuing throughout the calendar year.

For employees eligible for vacation under Section 13.01 (c), (d), (e), and (9), two percent (2.0%) of the employee's base annual pay (i.e. the value of one week's vacation) will be added to their Flex Benefit Credit Formula and the employee may elect to convert their Flex Credits into one (1) to five (5) additional vacation days.

13.02 The vacation schedule shall be arranged by the supervisor but shall be subject to the approval of the appropriate manager and shall be arranged with due regard first, to the general business or operating requirements, second, to departmental, branch or division requirements, and third, the employees' preference in order of seniority.

Every effort will be made to post the approved schedules no later than April 30th in each respective calendar year and management will ensure that employees are granted vacations in accordance with the approved vacation schedule.

13.03 For Continuous Part-time employees, the Company will complete a calendar year end vacation pay calculation and adjustment, if required, as follows:

(a) For Continuous Part-time employees eligible for vacation entitlement under 13.01 (c) preceding, six percent (6%) of base straight-time earnings (excluding overtime, vacation pay paid and any premiums, etc.) for the calendar year, less any vacation pay

made to the employee during the calendar year and less any amount not converted back into vacation under 13.01 (9) preceding.

(b) For Continuous Part-time employees eligible for vacation entitlement under 13.01 (d) preceding, eight percent (8%) of base straight-time earnings (excluding overtime, vacation pay paid and any premiums, etc.) for the calendar year, less any vacation pay made to the employee during the calendar year and less any amount not converted back into vacation under 13.01 (9) preceding.

(c) For Continuous Part-time employees eligible for vacation entitlement under 13.01 (e) preceding, ten percent (10%) of base straight-time earnings (excluding overtime, vacation pay paid and any premiums, etc.) for the calendar year, less any vacation pay made to the employee during the calendar year and less any amount not converted back into vacation under 13.01 (9) preceding.

(d) For Continuous Part-time employees eligible for vacation entitlement under 13.01 (9) preceding, twelve percent (12%) of base straight-time earnings (excluding overtime, vacation pay paid and any premiums, etc.) for the calendar year, less any vacation pay made to the employee during the calendar year and less any amount not converted back into vacation under 13.01 (9) preceding.

Any applicable year-end vacation pay adjustment will be paid by February 28th of the following calendar year.

13.04 If an employee leaves the service of the Company at a time when an unused period of his vacation stands to his credit, he shall receive an amount of vacation pay calculated as follows:

(a) Up to and including the calendar year in which two (2) years of continuous service are to be completed - 4% of gross

earnings for that period of employment for which vacation pay has not been received.

(b) During the calendar year in which three (3) years of continuous service are to be completed and up to and including the calendar year in which nine (9) years of continuous service are completed - 4% of gross earnings for that period of employment for which vacation pay has not been received.

(c) During the calendar year in which ten (10) years of continuous service are to be completed and up to and including the calendar year in which seventeen (17) years of continuous service are completed - 6% of gross earnings for that period of employment for which vacation pay has not been received.

(d) During the calendar year in which eighteen (18) years of continuous service are to be completed and up to and including the calendar year in which twenty-four (24) years of continuous service are completed - 8% of gross earnings for that period of employment for which vacation pay has not already been received.

(e) During the calendar year in which twenty-five (25) years or more of continuous service are to be completed - 10% of gross earnings for that period of employment for which vacation pay has not already been received.

(9) If an employee, who is participating in Flex Benefits, has converted part of his/her Flex Credits into additional vacation in accordance with Article 13.01, the % amounts in (b) through (e) preceding will be increased to reflect the amount of vacation the employee has purchased.

13.05 This annual vacation with pay plan is subject to the provisions of "The Employment Standards Act" (Ontario) wherever such provisions provide greater benefits than this plan.

ARTICLE 14

GENERAL

14.01 In case of an employee's dismissal for cause, the Company shall inform the employee of such cause in writing within a period of twenty-four (24) hours, and a copy will be sent to the Local or Bargaining Unit.

14.02 Leave of Absence

(a) **Union Business:** Employees elected as officers of the Local (Unit) or delegated by the President of the Local (Chairman of the Unit) will be granted leave of absence without pay to attend to authorized Union business provided that in the opinion of management, such leave will not seriously interfere with the efficient office procedure and in the providing of service to our customers.

All such leaves of absence shall be requested by written notice to the Company at least three (3) days before such leave of absence is to commence. With respect to the granting of leaves of absence, attention is directed to the possible effect of such absence on group life insurance, hospitalization, medical and sickness benefits.

(b) **Other Than Union Business:** The Company will consider a request for a leave of absence without pay from an employee for legitimate personal reasons. As a matter of policy, permission will not be withheld provided such absence will not seriously interfere with efficient office procedure and in the providing of service to our customers. All such leaves of absence shall be requested by written notice to the Company at least two (2) weeks before such leave of absence is to commence. With respect to the granting of leaves of absence, attention is directed to the possible effect of such absence on group life insurance,

hospitalization, medical and sickness benefits.

14:03 Jury Duty

An employee who is called to jury duty or subpoenaed as a witness, will be permitted such absence as is necessary as a result of such call or subpoena and he will be compensated by the Company for the difference between payment received for such duty and his regular pay. The employee will present proof of service as a juror or witness as well as the amount of pay received for such service to his supervisor.

14:04 Bereavement Pay

The Company will grant a paid leave of absence to an employee in the event of a death occurring in the employee's immediate family. Employees will be granted bereavement leave with pay, subject to attending the funeral, on the following basis:

Up to a maximum of five (5) working days for the death of a spouse (including common-law and same-sex spouse), child or stepchild.

Up to a maximum of three (3) working days for the death of a mother, father, sister, brother, mother-in-law, father-in-law, sister-in-law, brother-in-law, son-in-law, daughter-in-law, grandparents, or grandchildren. All of the above include "step" relationships.

One working day to attend the funeral of an aunt, uncle, niece, nephew, or grand-parents-in-law.

The maximum number of days commences with the date of death and up to and including the first business day (Monday to Friday) following the day of the funeral. Time off with pay would be based upon the employee's scheduled hours of work during the applicable period.

Vacation and scheduled Personal Paid Days may be re-scheduled as a result of a bereavement leave covered by this section. Such rescheduled days must be taken in the same calendar year.

Requests for additional leave from work without pay, may be approved by the employee's supervisor.

14.05 It is agreed that during the lifetime of this agreement, the Company shall not subcontract work that is presently being performed by employees covered by this agreement that by so doing will result in layoff of regular bargaining unit employees or that by so doing will result in a reduction in the basic salary of

regular bargaining unit employees who are transferred or selected for other jobs thereby. It is further agreed that in the latter case, such an employee shall be exempt from any contractual increase until the scheduled rate for the new job exceeds the rate received by the employee at the time of his or her transfer or job change, at which time he or she will receive the rate assigned to his or her then current job or classification.

14.06 Pension and Welfare

(a) The Company agrees to provide the “Choices” Flexible Benefit Program as described in the Company booklets or other sources, benefit plan documents and policies of insurance for all full-time and Continuous Part-time employees of all Bargaining Units. All of the benefit plans described in the Company booklets or other sources shall be as more particularly described and set forth in the respective benefit plans and policies which plans and policies shall be made available for inspection by the Union.

The Company will bear 100% of the premium costs of any applicable core components of the benefits listed below, as specified in the “Choices Flexible Benefit Program” plan documents, to keep the following policies of insurance in force:

- Extended Health Care Plan
- Dental Plan
- Life Insurance Plan
- Accident Insurance Plan
- Long Term Disability Plan

Employees are then able to use their Flexible Benefits credits, described below, to purchase additional coverage in accordance with the rules in the plan documents.

Employees’ Flexible Benefit credits under the “Choices” Flexible Benefit Program will be based upon the following formulas:

Effective with the enrollment for calendar 2004 benefit coverage, the flex credit formula for regular full-time employees will be 1.75% of base straight-time annual wages plus \$925.00. For regular full-time employees with three or more years of continuous company service, the formula will be 3.75% of base straight-time annual wages plus \$925.00.

Effective with the enrollment for calendar 2004 benefit coverage, the flex credit formula for regular Continuous Part-time Employees will be 1.75% of the greater of the employee's regularly scheduled straight-time Continuous Part-time annual earnings, or the employee's actual base straight-time earnings in the preceding twelve calendar months (normally October 1 to September 30), plus \$693.75. For regular Continuous Part-time employees with three (3) or more years of continuous company service, the formula will be 3.75% of the greater of the employee's regularly scheduled straight-time Continuous Part-time annual earnings, or the employee's actual base straight-time earnings in the preceding twelve calendar months (normally October 1 to September 30), plus \$693.75.

Effective for enrollment of benefit coverage for calendar 2005, the benefit price tags for 2004 will be increased by five and one-half percent (5.5%) for each of: Extended Health Care Plan; Dental Plan; Life Insurance Plan; Accident Insurance Plan and Long Term Disability Plan.

Effective for enrollment of benefit coverage for calendar 2006, the benefit price tags for 2005 will be increased by five and one-half percent (5.5%) for each of: Extended Health Care Plan; Dental Plan; Life Insurance Plan; Accident Insurance Plan and Long Term Disability Plan.

The Company agrees that there will be no changes to the "Choices" Flexible Benefit Program plan content for the duration of the Collective Agreement that expires December 31, 2005. The

Company reserves the right to make administrative or insurer changes that do not affect the Plan content during the term of the Collective Agreement.

(b) The Company agrees to provide a Weekly Indemnity benefit as described in Company booklets or other sources, benefit plan documents or policies of insurance for the duration of the agreement. The benefit described in Company booklets or other sources shall be as more particularly described and set forth in the respective benefit plans and policies, which plans and policies may be made available for inspection by the Union. The Company will bear 100% of the premium cost of Weekly Indemnity benefit.

For Continuous Part-time employees, Weekly Indemnity will be based upon the employee's posted work schedule for the first two (2) weeks of disability, and thereafter will be based upon the Continuous Part-time employee's regularly scheduled Continuous Part-time hours of work.

(c) The Company agrees to provide the "Pension Choices" Plan as described in the Company booklets or other sources, and pension benefit plan documents for all full-time and Continuous Part-time employees of all Bargaining Units. The "Pension Choices" Plan described in the Company booklets or other sources shall be as more particularly described and set forth in the pension plan documents, which plans and policies shall be made available for inspection by the Union.

14.07 Incentive Plan

Effective January 1, 2003, the basis on which any Incentive Plan payment is calculated will be modified. The modified plan will be based upon a 100% target payout of 2.5%, comprised of 1.75% District / Departmental targets and 0.75% Duke Energy Earnings Per Share (EPS). Any Incentive Plan payout will be based upon the employee's incentive eligible earnings which includes straight-time earnings, STD, vacation pay, holiday pay, paid personal days,

overtime pay, and shift premiums. For clarity, any other forms of payment will not be included in the employee's incentive eligible earnings. The rules and administration and payout formula of the Company's Short Term Incentive Plan will apply to this Incentive Plan.

The Incentive Plan for employees will be calculated on:

- Operations District/Departmental targets - a sliding scale based on the achievement of the targets. The sliding scale starts at an achievement level of fifty (50%) percent each calendar year. Achievement below fifty percent (50%) in any calendar year results in no payout under this component of the Incentive Plan.

At one hundred percent (100%) achievement level in a calendar year, the District / Department component of the Incentive Plan payment will be:

- One and three-quarters percent (1.75%) of the employee's incentive eligible earnings in each of the calendar years 2003, 2004 and 2005, or

At the achievement level of one hundred and fifty percent (150%) or more in a calendar year, the maximum District / Department component of the Incentive Plan payment will be:

- Two and five-eighths percent (2.625%) of the employee's incentive eligible earnings in each of the calendar years 2003, 2004 and 2005.

- Duke Energy Earnings Per Share (EPS) - a sliding scale based on the achievement of the target EPS. The sliding scale starts at an achievement level of fifty (50%) percent each calendar year. Achievement below fifty percent (50%) in any calendar year results in no payout under this component of the Incentive Plan.

At one hundred percent (100%) achievement level in a

calendar year, the EPS component of the Incentive Plan payment will be:

- Three-quarters percent (0.75%) of the employee's incentive eligible earnings in each of the calendar years 2003, 2004 and 2005, or

At the achievement level of two hundred percent (200%) or more in a calendar year, the maximum EPS component of the Incentive Plan payment will be:

- One and one-half percent (1.50%) of the employee's incentive eligible earnings in each of the calendar years 2003, 2004 and 2005.

The District / Department and Duke Energy Earnings Per Share targets will be established annually by the Company.

Any applicable payment under this Incentive Plan will be paid by March 31, of the following calendar year.

14.08 Bulletin Boards

The Company will provide one (1) bulletin board in each Branch or Office location in the Region for the purpose of posting official Union notices. All notices posted on this bulletin board will have the prior approval and signature of an elected representative of the Local or Unit.

14.09 The Company will issue a collective agreement to each employee and each new employee upon induction into the Company. This agreement shall be provided in printed booklet form.

14.10 Maternity Leave: An employee who is pregnant and who has three (3) months or more of continuous service with the Company shall be granted leave of absence under the terms and conditions of the Employment Standards Act except as herein otherwise provided:

- (a) An application for such leave will be submitted on forms

supplied by the Company and will include a certificate signed by the employee's doctor specifying the estimated date of delivery. The application will normally be submitted to the employee's immediate supervisor three (3) months in advance of the specified date of delivery,

(b) In the case of illness supported by a certificate from the employee's doctor, the prenatal period may be extended up to four (4) additional weeks and the post-natal period may be extended up to an additional five (5) weeks.

(c) The Company will continue benefit coverage in accordance with the provisions of the Employment Standards Act, Ontario.

(d) An employee on maternity leave in accordance with the provisions of this agreement shall continue to accumulate seniority, and accrue Company service for the purpose of vacation entitlement and sick pay entitlement, but shall not be entitled to receive payment during the period of such leave. Further, the employee will accrue up to fifty-two (52) weeks of service for the purpose of job progression, excluding service for probationary periods.

14.11 Safety and Health

(a) The Company will institute and maintain reasonable precautions for the health and safety of all employees. All employees covered by this agreement shall co-operate in the implementation of such health and safety precautions. The Company and the Union shall co-operate fully in the elimination and prevention of unhealthy and unsafe working conditions and practices and assist in the prevention of accidents.

(b) The Company is bound by the provisions of the Ontario Occupational Health & Safety Act including future amendments which may occur from time to time. This includes a requirement that there shall be joint health and safety committees

established and operated, as required, consisting of members representing the Company and of members representing the employees in accordance with such legislation.

(c) All matters considered and handled by the Health and Safety Committee shall be recorded and minutes maintained.

14.12 Cost of Living Allowance

NOTE: The provisions of this Section 14.12 shall remain inoperative during calendar year 1992 and no cost of living allowance shall be computed, paid or become payable or owing in respect of calendar year 1992.

A cost of living allowance will be paid to each employee effective January 1, 1993, subject to the provisions of this section. This allowance will be based on the Consumer Price Index (all items - base: 1971 - 100) published by Statistics Canada (hereinafter referred to as the C.P.I.) and will be calculated as follows:

(a) The C.P.I. published for March 1993 shall be compared with the C.P.I. published for December 1992 and effective the pay period immediately following the publication of the March 1993 C.P.I., the allowance, if triggered, shall be one (1) cent per hour worked for each zero point two six five (0.265) increase in excess of 4% by which the March 1993 C.P.I. exceeds the December 1992 C.P.I.

(b) Such allowance, if any, shall continue until the publication of the C.P.I. for June 1993. If the June 1993 C.P.I. exceeds by more than 4% the figure published for December 1992, effective the pay period immediately following the publication of the June 1993 C.P.I., the allowance, if triggered, shall be one (1) cent per hour worked for each zero point two six five (0.265) increase in excess of 4% by which the June 1993 CPI exceeds the December 1992 C.P.I.

(c) A similar comparison shall be made thereafter on the basis of the C.P.I. published every three months apart during the remainder of the term of this agreement concluding with the C.P.I. published for the month of December 1993.

(d) If there is a decrease in the C.P.I. on the basis of the comparison the allowance shall be adjusted downward by using the formula mentioned above, but an employee's applicable hourly rate shall not be affected by any downward adjustment. At the time of any quarterly review of the C.P.I. pursuant hereto, should the C.P.I. fall below 4% in excess of the C.P.I. published for December 1992, the Cost of Living Allowance shall cease.

(e) In the event that Statistics Canada does not issue the appropriate C.P.I. on or before the beginning of one of the pay periods referred to in (a), (b) and (c) above, any adjustment in the cost of living allowance required by such appropriate Index shall be effective at the beginning of the first pay period after the Index has been officially published.

(f) No adjustments, retroactive or otherwise, shall be made in the amount of the cost of living allowance due to any revision which may later be made in the published figures for the Index for any month on the basis of which the allowance shall have been determined.

(g) The continuance of the cost of living allowance in its present form shall be contingent upon the availability of the official monthly Statistics Canada C.P.I. in its present form and calculated on the same basis as the Index published in April 1984. In the event the C.P.I. is not available in its present form the parties shall negotiate the appropriate revisions thereto, or some other equitable arrangement.

(h) The cost of living allowance provided for herein shall be paid only for actual hours worked and shall not be included in computing payment for work on a recognized holiday, for work on

a scheduled paid personal day off, overtime premium, shift premium, call out pay, or any other premium, but shall be included in computing vacation pay, pay for recognized holidays, and pay for scheduled paid personal days off.

(i) The cost of living allowance in effect at any time shall not form part of an employee's applicable hourly rate.

(j) Upon renewal of the Collective Agreement expiring December 31, 1993, any cost of living allowance then in effect shall be added to the existing base rates prior to calculating the new base rates and further, any cost of living allowance then in effect will not be considered as any part of any negotiated increase.

14.13 Technological Change

As necessary, from time to time the Company will discuss with the Union, matters relating to technological change in order to make the union aware of the Company's plans in these areas one month in advance, where practical, of implementing such plans. The Company will also grant the union the opportunity to make management aware of any concerns that the union or the unionized employees may have in relation to such change.

14.14 Scheduled Paid Personal Days Off Plan

(a) It is the purpose of this plan to provide eligible employees with five (5) paid personal days off each year as scheduled in advance by management in accordance with the provisions contained herein.

(b) In the calendar year in which an eligible employee reaches the age of 62 and for each subsequent year up to and including the year in which such employee reaches the age of 65, he or she is entitled to two (2) additional scheduled paid personal days off per year. Eligible employees may accumulate such time off to a maximum of five (5) additional days to be taken in the calendar year in which they reach their 65th birthday in lieu of

taking the two additional days per year of entitlement.

(c) All regular full-time employees are entitled to seven and one-half (7 ½) hours (8 hours where applicable) at their straight time rate for the scheduled personal paid days off as provided for in 14.14 (a) and 14.14 (b) subject to the following conditions:

All regular Continuous Part-time employees are entitled to a paid personal day off allowance, based upon the employee's base rate of pay for regular straight-time hours worked in the thirteen weeks preceding the week of the scheduled paid personal day off divided by the number of days worked in this thirteen week period, for the scheduled paid personal days off as provided for in 14.14 (a) and 14.14 (b) subject to the following conditions:

(i) A regular employee will not be paid for a scheduled paid personal day off unless he works his last scheduled day immediately preceding, and the first scheduled day immediately following such scheduled paid personal day off, except where such absence is due to illness as provided for in Section 15.01, bereavement leave as provided for in Section 14.04, jury duty as provided for in Section 14.03, and a doctor or dentist appointment verified in writing, or written authorization from management.

(ii) In the event that a scheduled paid personal day off falls during a period of absence from work for which a regular employee is receiving indemnity under the Sickness and Accident Insurance Plan, or is receiving Workplace Safety Insurance Board benefits, insured sick pay will be paid for the scheduled paid personal day off to the extent appropriate under the sick pay provisions.

(iii) Pay for scheduled paid personal days off will not be paid to regular employees who are subsequently scheduled to work on a scheduled paid personal day off and do not report for work, or who report for work but fail to complete their

schedule unless such absence or failure is in the opinion of management due to a justifiable reason.

(iv) Employees required to work on a scheduled paid personal day off as provided for in Section 14.14 (a) and (b) shall be paid at the rate of double time for the first seven and one-half (7 ½) hours (8 hours where applicable), and double time for all hours worked in excess of the first seven and one-half (7 ½) (8 hours where applicable). This payment is in addition to scheduled paid personal day pay as provided for in Section 14.14 (c).

(d) The scheduled paid personal days off schedule shall be arranged by the supervisor of each department but shall be subject to the approval of his manager, and shall be arranged with due regard first to the general operating requirements, second to departmental operating requirements, and third to the employees' preference in order of seniority. Every reasonable effort will be made in preparing these schedules to provide that scheduled paid personal days off coincide with an individual's normal days off work. Approved schedules will be posted no later than April 30th in each respective calendar year, and management will ensure that employees are granted scheduled days off in accordance with the approved schedule.

(e) Regular employees who are employed less than a full year in any of the calendar years mentioned in 14.14 (a) shall be granted the appropriate paid personal days off for that calendar year on a prorated basis.

14.15 Safety Footwear

Upon completion of their probationary period, employees required by the Company to wear safety footwear will be reimbursed up to a maximum of \$110.00 per calendar year toward the purchase of Canadian Standards Association approved safety footwear which meets Company standards. Employees must provide the Company with a paid receipt to support the purchase of

approved safety footwear in order to obtain reimbursement.

Notwithstanding the foregoing, employees, where required by law, must wear approved safety footwear.

14.16 Coffee Breaks

Full-time Employees shall be entitled to two (2) coffee breaks during their regularly scheduled workday. Each coffee break shall not exceed fifteen (15) minutes in length and such breaks will be taken at times approved by the appropriate supervisor, normally one during the first half and one during the second half of the workday.

Continuous Part-time employees working a shift of five (5) hours or less will be provided with one (1) paid fifteen (15) minute work break. Continuous Part-time employees working greater than a five (5) hour shift will be provided with two (2) paid fifteen (15) minute work breaks which may be combined into one (1) break period at the employee's option. Part-time employees working a seven and one-half (7 ½) hour shift will be given the same lunch and work break periods as full-time employees.

14.17 Summer Students

Students hired for summer employment during the period May 1 to September 30 in accordance with the current Letter of Understanding shall be paid the Summer Student rate as provided in Appendix "A". Students shall pay Union dues in accordance with the provisions of Article 3, Section 3.01, their hours of work will be the hours specified for Regular Employees, but no other provisions of this Agreement shall apply. Students required by the Company to wear safety footwear will be reimbursed up to a maximum of \$30.00 per calendar year toward the purchase of Canadian Standards Association approved safety footwear that meets Company standards. Students must provide the Company with a paid receipt to support the purchase of approved safety footwear in order to obtain reimbursement.

14.18 Injury and Illness Accommodation

Where either long-term or significant accommodation is an issue in the case of an employee who cannot perform all of his/her normal regular duties because of a disabling injury or illness, the company and union agree to meet to discuss potential viable options, if any, for accommodating an employee in those circumstances.

14.19 Employee Savings Plan Effective January 4, 2004, all regular full-time employees (Operations, Office and Call Centre Collective Agreements) and regular Continuous Part-time employees (Office and Call Centre Collective Agreements only) will be eligible to participate in the Employee Savings Plan as presented to the Union Negotiation Committee during discussions for renewal of the Collective Agreements that expired December 31, 2002.

The Company further agrees, for employees eligible to participate under the terms and conditions of the Company's Employee Savings Plan, that it will provide a one-time opportunity in calendar 2003, for regular full-time employees (Operations, Office and Call Centre Collective Agreements) and regular Continuous Part-time

employees (Office and Call Centre Agreements only) who are employed as of the date of this Memorandum of Agreement and who will have less than six years of Company service as of December 31, 2003, to enroll in the Employee Savings Plan and have the Company service requirements of the Plan waived in order to be eligible to receive the maximum Company contribution of five percent under the terms of the Plan.

The Company agrees that should the Employee Savings Plan be discontinued during the term of the Collective Agreement, all regular full-time employees and regular Continuous Part-time employees will receive an increase of one and two-thirds percent (1.67%) to the rates of pay, in Appendix "A" of the Collective Agreements, that are in effect at the time of discontinuance of the Plan. For clarity, this potential increase will not apply to the Utility Labour Pool rate of pay in the Operations Collective Agreement, and to the Student rate of pay in the Operations, Office and Call Centre Collective Agreements.

14.20 Retiree Benefits Employees retiring on or after January 1, 2006 will be eligible for retiree benefits as presented to the Union Negotiation Committee during discussions for renewal of the Collective Agreements that expired December 31, 2002. Employees retiring on or after January 1, 2004, and up to and including December 31, 2005, will have the option of selecting the retirement benefits in place as of the date of ratification of this Memorandum of Agreement, or the retirement benefits that will commence for employees who retire on or after January 1, 2006.

ARTICLE 15

SICK PAY BENEFITS

15.01 The Company will, in the event of a regular employee's

absence due to a bona fide illness or accident, provide in addition to weekly indemnity provision, sick pay insurance based on a formula of 90% of basic pay as provided herein following. The above provision will apply to all cases of non-occupational accident, and to any illness in excess of five (5) working days' duration supported by a doctor's report of illness. In cases of bona fide illness absence of five (5) working days or less no payment will be made for the first day or partial day of any such absence following the third such absence incident; the first day or partial day and the second day or partial day following the fourth such incident, and the first day or partial day, the second day or partial day and the third day or partial day following the fifth incident and any subsequent incident in any calendar year, otherwise the provisions above apply. (For the purpose of this provision part day absences up to and including a maximum of five (5) per calendar year will not constitute an absence incident, nor will it disqualify him from sick pay benefits providing the employee reports for work at the beginning of his regular scheduled hours.) In order to qualify for such sick pay insurance, absent employees must notify the Company prior to the commencement of their work schedule. However, if it is not possible to give notification prior to the commencement of the first work schedule, it must in any event be given within the first working day of such absence.

To all regular employees meeting the above requirements the Company will provide sick pay for continuous service on the following progressive bases:

Less than six months' service	Nil
After six months' continuous service but less than one year	1 week
After one year's continuous service but less than five years	2 weeks
After five years and before ten years	5 weeks

After ten years and before fifteen years	7 weeks
After fifteen years and before twenty years	9 weeks
After twenty years and before twenty-five years	10 weeks
After twenty-five years and before thirty years	11 week
After thirty years and before thirty-five years	12 weeks
After thirty-five years and before forty years	13 weeks
After forty years	14 weeks

For Continuous Part-time employees, short-term disability pay for the first two weeks of disability will be according to the employee's posted work schedule. Thereafter short-term disability pay will be according to the employee's regularly scheduled Continuous Part-time hours.

15.02 The right is reserved by the Company to discipline any employee and/or withhold any sick pay benefit to such employee who is found to be taking undue advantage of the sick pay provision. The right of the Company is further reserved to cancel, suspend, or modify the sick pay provisions at the expiration of this agreement, or any renewal thereof, and in particular should it become evident to the sole satisfaction of Management that employees are taking unwarranted advantage of the arrangement.



ARTICLE 16

DURATION OF AGREEMENT

16.01 This agreement shall be in effect from June 22, 2003 and shall continue in full force and effect until December 31, 2005 and thereafter from year to year unless, within 60 days prior to the expiration date of the agreement, notice is given by either party to the other party of their intention to revise, amend or terminate this agreement. The said notice may be given to the Company or to the Union by registered mail addressed to each respective Bargaining Unit of the Communications, Energy and Paperworkers Union that is a party to this Collective Agreement.

IN WITNESS WHEREOF the parties have duly signed as evidenced by the signatures of their proper officers duly authorized in that behalf.

FOR THE UNION:

D. Drouillard

Local 758, Windsor Clerical Unit

B. McFadden

Local 999, Chatham Clerical Unit

T. Haynes

Local 8833, Hamilton Clerical Unit

M. Doucette

Local 938, London Clerical Unit

FOR THE COMPANY

Terry Tippin

Manager, Labour & Employment Relations

Paul Rietdyk

Director, Operations Administration & support

Robert Feldmann

Director, Customer Care

Doug Alexander

General Manager, Storage &

J. Marks

Local 5, Simcoe Clerical Unit

L. Laird

Local 8833, Waterloo Clerical Unit

J. Galvin

Chairperson, Gas Workers Council

D. Valente

CEPU National Representative

Transmission Operations

John McReynolds

Manager, Labour Relations

APPENDIX "A"

JOB GRADES AND TITLES – Full Time (as at January 5,2004)

GRADE	JOB TITLE	WDSR	CHTM	SARN	LNDN	WAT	HAM	OTHER
3	Commitment Clerk				X			
3	Meter Reading Clerk	X						
3	Switchboard/Receptionist						X	
4	Bus. Support Clerk				X			
4	Fleet/Facilities Help Desk Clk						X	
4	Infraction Clerk				X			
4	Mail Clerk & Messenger						X	
4	Meter Shop Clerk		X					
4	Receptionist					X		Brantford
4	Sales Support				X		X	
4	Scheduling Clerk				X			
4	Utility Admin Clerk	X			X		X	
5	Business Support Clerk				X			
5	Locate Clerk				X			
5	Locate Planner				X			
5	Utility Locator	X		X				
6	Bus. Development Clerk	X			X	X	X	
6	Cust. Billing Support Rep.	X						
6	Scheduler/Planner				X			
6	Utility Service Clerk	X			X	X	X	
7	Business Dev't Support Clk						X	
7	Drafter/Estimator	X			X	X	X	
8	Dispatch/Planner				X			

APPENDIX "A"

JOB GRADES AND TITLES – Continuous Part Time (as at January 5, 2004)

GRADE	JOB TITLE	WDSR	CHTM	SARN	LNDN	WAT	HAM	OTHER
3	Commitment Clerk				X			
4	Fleet/Facilities Help Desk Clk						X	
4	Infraction Clerk				X			
4	Sales Support						X	
4	Stock Clerk	X			X		X	
4	Utility Administration Clerk							Simcoe
5	Locate Planner				X			
6	Bus. Development Clerk	X			X	X	X	
6	Cust. Billing Support Rep	X						
6	Utility Service Clerk	X			X			
7	Drafter/Estimator					X		
8	Dispatch/Planner				X			

UNION GAS LIMITED

APPENDIX "A"

Locals 5, 758, 8833, 914, 938, 999 (Clerical Units)

To be effective June 22, 2003

37.5 Hour Schedule

Step	Full-Time	Part-Time
1	Three (3) Months	488 Straight-Time Hours Worked
2	Six (6) Months	975 Straight-Time Hours Worked
3	Twelve (12) Months	1950 Straight-Time Hours Worked
4	Twelve (1) Months	1950 Straight-Time Hours Worked

Grade	Step 1	Step2	Step3	Step4	Step5
1	\$568.87	\$594.63	\$620.40	\$646.16	\$671.96
2	620.40	646.16	671.96	698.07	763.81
3	712.04	738.16	763.81	780.12	801.58
4	768.93	785.25	801.58	813.71	828.62
5	805.31	817.44	829.09	846.81	864.06
6	817.44	831.40	864.06	876.64	902.30
7	831.40	854.26	902.30	913.02	926.07
8	897.15	913.02	927.96	940.07	952.19
9	913.02	940.07	952.19	958.26	971.81

Summer Student \$ 12.38 per hr.

UNION GAS LIMITED

APPENDIX "A"

Locals 5, 758, 8833, 914, 938, 999 (Clerical Units)

To be effective June 22, 2003

40.0 Hour Schedule

Step	Full-Time	Part-Time
1	Three (3) Months	488 Straight-Time Hours Worked
2	Six (6) Months	975 Straight-Time Hours Worked
3	Twelve (12) Months	1950 Straight-Time Hours Worked
4	Twelve (12) Months	1950 Straight-Time Hours Worked

Grade	Step 1	Step 2	Step 3	Step 4	Step 5
1	\$606.82	\$634.28	\$661.77	\$689.24	\$716.75
2	661.77	689.24	716.75	744.61	814.75
3	759.51	787.37	814.75	832.15	855.02
4	820.17	837.61	855.02	867.94	883.87
5	859.00	871.92	884.35	903.26	921.65
6	871.92	886.84	921.65	935.07	962.43
7	886.84	911.22	962.43	973.90	987.80
8	956.95	973.90	989.83	1,002.73	1,015.68
9	973.90	1,002.73	1,015.68	1,022.15	1,036.62

Summer Student \$ 12.38 per hr.

UNION GAS LIMITED

APPENDIX "A"

Locals 5, 758, 8833, 914, 938, 999 (Clerical Units)

Step	Full-Time	Part-Time
1	Three (3) Months	488 Straight-Time Hours Worked
2	Six (6) Months	975 Straight-Time Hours Worked
3	Twelve (12) Months	1950 Straight-Time Hours Worked
4	Twelve (12) Months	1950 Straight-Time Hours Worked

Grade	Step 1	Step2	Step3	Step 4	Step 5
1	\$574.56	\$600.58	\$626.60	\$652.62	\$678.68
2	626.60	652.62	678.68	705.05	771.45
3	719.16	745.54	771.45	787.92	809.60
4	776.62	793.10	809.60	821.85	836.91
5	813.36	825.61	837.38	855.28	872.70
6	825.61	839.71	872.70	885.41	911.32
7	839.71	862.80	911.32	922.15	935.33
8	906.12	922.15	937.24	949.47	961.71
9	922.15	949.47	961.71	967.84	981.53

Summer Student \$ 12.38 per hr.

UNION GAS LIMITED

APPENDIX "A"

Locals 5, 758, 8833, 914, 938, 999 (Clerical Units)

To be effective September 14, 2003

40.0 Hour Schedule

Step	Full-Time	Part-Time
1	Three (3) Months	488 Straight-Time Hours Worked
2	Six (6) Months	975 Straight-Time Hours Worked
3	Twelve (12) Months	1950 Straight-Time Hours Worked
4	Twelve (12) Months	1950 Straight-Time Hours Worked

Grade	Step 1	Step2	Step3	Step 4	Step 5
1	\$612.89	\$640.62	\$668.39	\$696.13	\$723.92
2	668.39	696.13	723.92	752.06	822.90
3	767.11	795.24	822.90	840.47	863.57
4	828.37	845.99	863.57	876.62	892.71
5	867.59	880.64	893.19	912.29	930.87
6	880.64	895.71	930.87	944.42	972.05
7	895.71	920.33	972.05	983.64	997.68
8	966.52	983.64	999.73	1,012.76	1,025.84
9	983.64	1,012.76	1,025.84	1,032.37	1,046.99

Summer Student \$ 12.38 per hr.

UNION GAS LIMITED

APPENDIX "A"

Locals 5, 758, 8833, 914, 938, 999 (Clerical Units)

To be effective January 4, 2004

37.5 Hour Schedule

Step	Full-Time	Part-Time
1	Three (3) Months	488 Straight-Time Hours Worked
2	Six (6) Months	975 Straight-Time Hours Worked
3	Twelve (12) Months	1950 Straight-Time Hours Worked
4	Twelve (12) Months	1950 Straight-Time Hours Worked

Grade	Step 1	Step2	Step3	Step4	Step5
1	\$591.80	\$618.60	\$645.40	\$672.20	\$699.04
2	645.40	672.20	699.04	726.20	794.59
3	740.73	767.91	794.59	811.56	833.89
4	799.92	816.89	833.89	846.51	862.02
5	837.76	850.38	862.50	880.94	898.88
6	850.38	864.90	898.88	911.97	938.66
7	864.90	888.68	938.66	949.81	963.39
8	933.30	949.81	965.36	977.95	990.56
9	949.81	977.95	990.56	996.88	1,010.98

Summer Student \$ 12.38 per hr.

UNION GAS LIMITED

APPENDIX "A"

Locals 5, 758, 8833, 914, 938, 999 (Clerical Units)

To be effective January 4, 2004

40 Hour Schedule

Step	Full-Time	Part-Time
1	Three (3) Months	488 Straight-Time Hours Worked
2	Six (6) Months	975 Straight-Time Hours Worked
3	Twelve (12) Months	1950 Straight-Time Hours Worked
4	Twelve (12) Months	1950 Straight-Time Hours Worked

Grade	Step 1	Step2	Step 3	Step4	Step 5
1	\$631.28	\$659.84	\$688.44	\$717.01	\$745.64
2	688.44	717.01	745.64	774.62	847.59
3	790.12	819.10	847.59	865.68	889.48
4	853.22	871.37	889.48	902.92	919.49
5	893.62	907.06	919.99	939.66	958.80
6	907.06	922.58	958.80	972.75	1,001.21
7	922.58	947.94	1,001.21	1,013.15	1,027.61
8	995.52	1,013.15	1,029.72	1,043.14	1,056.62
9	1,013.15	1,043.14	1,056.62	1,063.34	1,078.40

Summer Student \$ 12.38 per hr.

UNION GAS LIMITED

APPENDIX "A"

Locals 5, 758, 8833, 914, 938, 999 (Clerical Units)

To be effective January 2, 2005

37.5 Hour Schedule

Step	Full-Time	Part-Time
1	Three (3) Months	488 Straight-Time Hours Worked
2	Six (6) Months	975 Straight-Time Hours Worked
3	Twelve (12) Months	1950 Straight-Time Hours Worked
4	Twelve (12) Months	1950 Straight-Time Hours Worked

Grade	Step 1	Step2	Step3	Step 4	Step 5
1	\$609.55	\$637.16	\$664.76	\$692.37	\$720.01
2	664.76	692.37	720.01	747.99	818.43
3	762.95	790.95	818.43	835.91	858.91
4	823.92	841.40	858.91	871.91	887.88
5	862.89	875.89	888.38	907.37	925.85
6	875.89	890.85	925.85	939.33	966.82
7	890.85	915.34	966.82	978.30	992.29
8	961.30	978.30	994.32	1,007.29	1,020.28
9	978.30	1,007.29	1,020.28	1,026.79	1,041.31

Summer Student \$ 12.38 per hr.

UNION GAS LIMITED

APPENDIX "A"

Locals 5, 758, 8833, 914, 938, 999 (Clerical Units)

To be effective January 2, 2005

40 Hour Schedule

Step	Full-Time	Part-Time
1	Three (3) Months	488 Straight-Time Hours Worked
2	Six (6) Months	975 Straight-Time Hours Worked
3	Twelve (12) Months	1950 Straight-Time Hours Worked
4	Twelve (12) Months	1950 Straight-Time Hours Worked

Grade	Step 1	Step 2	Step 3	Step 4	Step 5
1	\$650.22	\$679.64	\$709.09	\$738.52	\$768.01
2	709.09	738.52	768.01	797.86	873.02
3	813.82	843.67	873.02	891.65	916.16
4	878.82	897.51	916.16	930.01	947.07
5	920.43	934.27	947.59	967.85	987.56
6	934.27	950.26	987.56	1,001.93	1,031.25
7	950.26	976.38	1,031.25	1,043.54	1,058.44
8	1,025.39	1,043.54	1,060.61	1,074.43	1,088.32
9	1,043.54	1,074.43	1,088.32	1,095.24	1,110.75
Summer Student	\$ 12.38 per hr.				

APPENDIX “B”

TEMPORARY EMPLOYEES

Salaries, Hours of Work and Working Conditions

1. The following provisions of this agreement apply to Temporary Employees:
 - a. Reservation to Management – Article 5
 - b. Deduction of Union Dues – Article 3, Section, 3.01
2. Additional provisions applying to Temporary Employees.
 - a. The Company will notify the Bargaining Unit in writing when a Temporary Employee is to be employed, together with the expected duration of the assignment.
 - b. Temporary Employees working on projects or assignments of limited duration shall be terminated at the conclusion of 90 days of work in any 12-month period, commencing from the date of hire or commencement of employment in such period. Should a Temporary Employee not be terminated as provided above, he or she shall become a regular employee and the seniority date shall be dated back to the most recent date of hire. Employees who were employed as Temporary Employees, who are subsequently hired within a 6 month period following termination, to fill a vacancy in the regular staff, will have the normal three (3) month probationary period reduced by the amount of service completed as a Temporary. Upon completion of the Probationary period,

the employee's Company Service Date shall be dated back to the date of commencement of the Probationary period or the date of hiring to the vacancy in regular staff, whichever is applicable. For the purposes of establishing the individual's union seniority date, such employees will be granted a maximum of 3 month's credit for service as a Temporary Employee.

- c. **Rates of Pay** - TEMPORARY EMPLOYEES will be paid the rate of Step 1 of the grade for which the employee has been employed except where it is necessary to recruit a Temporary Employee having less than one (1) year of related business experience for a temporary assignment in Grade 4 or above, in which case the rate of pay will be Step 1 of the grade immediately below that of the position being filled temporarily.
- d. **Hours of Work** - TEMPORARY EMPLOYEES will work as either Day Workers or Shift Workers in accordance with the hours specified for Regular employees.
- e. **Overtime** - The Company will pay overtime rates for TEMPORARY EMPLOYEES at the applicable overtime rate specified in Article 11, Section 11.18 of the collective agreement.
- f. **Shift Premium** - When TEMPORARY EMPLOYEES are required to work regularly scheduled shift hours for which a Shift Premium is payable under the collective agreement, they will be paid Shift Premium in accordance with the provisions of Article 11, Section 11.15 of the collective agreement.
- g. **Grievance Procedure** - TEMPORARY EMPLOYEES will be entitled to the provisions of Articles 7 and 8 of the collective agreement providing a grievance and arbitration procedure only in respect to a difference

relating to the interpretation, application or administration of the provisions of this Appendix.

LETTERS OF UNDERSTANDING

INDEX

LETTER	SUBJECT
1	Students
2	Jurisdictional Lines
3	Loss of Driver's License
4	Transfers
5	Disciplinary Records
6	Seniority
7	Arbitration
8	Full-Time to Part-Time
9	Change of Shift
10	Like Jobs
11	Redundancy Job Posting
12	Medical Appointments
13	Technological Change
14	Change of Report Base
15	Contracting Out
16	Alternative Work Schedules
17	Workforce Adjustments
18	Banking of Overtime Hours
19	Health and Safety Training Fund
20	Employment Security
21	Clerical Utility Locator Positions
22	Local 8833 Recognition

LETTER OF UNDERSTANDING #1

June 6, 2003

Mr. D. Valente,
National Representative,
Communications, Energy & Paperworkers Union,
701 Evans Avenue, Suite 200
Etobicoke, Ontario
M9C 1A3

Re: Students

This Letter of Understanding will confirm the Company's intentions regarding the employment of certain students for summer employment opportunities in the areas of the Company represented by the Communications, Energy & Paperworkers Union which may exist from time to time as conditions allow.

The objective of this program is to afford an employment opportunity for the sons and daughters of employees and retirees of the Company who are currently attending university or college full time and who will be returning to full time attendance at university or college in the Fall.

Students employed in these areas will be hired and paid in accordance with the provisions of Section 14.18 Operational Collective Agreement and Section 14.17 Clerical Collective Agreement.

Terry Tippin
Manager, Labour & Employment Relations
Union Gas Limited

TT/pk

LETTER OF UNDERSTANDING#2

June 6, 2003

MEMORANDUM OF AGREEMENT
BETWEEN
UNION GAS LIMITED
&
COMMUNICATIONS, ENERGY & PAPERWORKERS UNION
LOCALS 5, 56, 758, 8833, 914, 938, 999

Re: Jurisdictional Lines

This memorandum is written to confirm an agreement between the parties regarding the assignment of work across Union Local jurisdictional boundary lines. The Union understands and agrees that it is necessary from time to time to assign employees to perform work outside the area, historically acknowledged as their Union Locals' area of jurisdiction. In making such assignments, Management will give due consideration to the rights of an employee as granted under the Collective Agreement in force, and under normal circumstances will require only that employees cross jurisdictional boundaries to perform work of a temporary or specialized nature.

This Agreement has no application whatsoever to the change in Report Base/Transfer of Work situations which are dealt with in a separate arrangement under Letter of Understanding#14.

To further clarify the understanding of the effects of such assignments across jurisdictional boundary lines, the following is agreed to:

1. Employees on call will not be required to cross the jurisdictional boundary of their Bargaining Unit.
2. Employees working on the night shift will not be required to cross the jurisdictional boundary of their Bargaining Unit.

LETTER OF UNDERSTANDING #2

3. The crossing of bargaining unit lines of jurisdiction will not interfere with the promotional opportunities of bargaining unit employees.

4. The Company will supply transportation to employees directed to cross their Bargaining Unit lines of jurisdiction.

5. Time taken travelling to/from a location outside the normal areas of jurisdiction will be paid at the appropriate rate from his/her normal reporting base.

If major problems arise in the administration of this Memorandum of Agreement, it will be subject to review for the purpose of possible revision upon 30 days notice by either party.

FOR THE UNION

B. Price

Local 999 Production Unit
& Dunnville Unit

J. Galvin

Local 8833 Hamilton
Operational Unit

P. Owen

Local 758 Windsor Operational Unit

J. Humphries

Local 8833 Waterloo Operational Unit

M. Ridley

Local 938 London Operational Unit

B. McFadden

Local 999 Chatham Operational &
Clerical Units

R. Kadonaga

Local 8833 Brantford Call Centre
Unit

D. Drouillard

Local 758 Windsor Clerical Unit

L. Laird

Local 8833 Waterloo Clerical Unit

M. Doucette

Local 938 London Clerical Unit

LETTER OF UNDERSTANDING #2

FOR THE UNION (cont'd)

T. Haynes

Local 8833 Hamilton/Halton
Clerical Unit

J. McNeill

Local 914 Sarnia Operational &
Clerical Unit

D. Girardi

Local 56 Brantford Operational Unit

J. Marks

Local 5 Simcoe Operational &
Clerical Units

J. Galvin

Gas Workers Council Chairperson
Representative

D. Valente

CEPU National

FOR THE COMPANY

T. Tippin

Manager, Labour & Employment
Relations

R. Feldmann

Director, Customer Care

P. Rietdyk

Director, Operations Administration &
support

D. Alexander

General Mgr., Storage and
Transmission Operations

J. McReynolds

Manager, Labour Relations

LETTER OF UNDERSTANDING#3

June 6, 2003

Mr. D. Valente,
National Representative,
Communications, Energy & Paperworkers Union,
701 Evans Avenue, Suite 200
Etobicoke, Ontario
M9C 1A3

RE: Loss of Driver's Licence

The Company and the Union recognize that the suspension of a driver's licence in many cases reduces the usefulness of an employee in his or her work.

However, in some instances, adjustments in work assignments may be made to enable the employee to perform his or her normal level of duties. Each case will be carefully reviewed locally on its own merits with a view to, wherever practical, maintaining the employee's normal pay level or minimize any pay reduction necessitated by the employee's inability to perform his or her full range of duties.

Terry Tippin
Manager, Labour & Employment Relations
Union Gas Limited

TT/pk

LETTER OF UNDERSTANDING#4

June 6, 2003

Mr. D. Valente,
National Representative,
Communications, Energy & Paperworkers Union,
701 Evans Avenue, Suite 200
Etobicoke, Ontario
M9C 1A3

Re: Transfers

During the negotiations for renewal of the Collective Agreements which expired on December 31, 1999, the Company submitted a proposal to modify the transfer process by which employees express interest in jobs that are posted outside their Union Local's area of jurisdiction or in another bargaining unit within the same Local.

The parties have agreed to implement a process in which "information notices" of job postings for positions outside the Union Local's area of jurisdiction or in another Bargaining Unit within the same Local, will be posted in each Company location. Employees who may be interested in transferring to another location or another Bargaining Unit within the same Local, and who have the posted qualifications for the position, may submit their interest for the position and will be given consideration for the position before a new employee is hired to fill the vacancy.

LETTER OF UNDERSTANDING#4

-2-

Any employee accepting a new position under this process will be placed in the new job according to his/her experience and ability, but shall not be required to take a decrease in pay greater than ten percent (10%) of the rate being received at the time of transfer. Further, an employee receiving such an adjusted rate shall be exempt from any contractual increases until the scheduled job rate exceeds his adjusted rate, at which time he will receive the rate assigned to his then current job or job classification. Employees selected for appointment as a result of this procedure will be required to relocate, if necessary, at their own expense and provide their own transportation in order to be available for the work assignments in their new area.

Terry Tippin,
Manager, Labour & Employment Relations
Union Gas Limited

TT/pk

LETTER OF UNDERSTANDING#5

June 6, 2003

Mr. D. Valente,
National Representative,
Communications, Energy & Paperworkers Union,
701 Evans Avenue, Suite 200
Etobicoke, Ontario
M9C 1A3

Re: Disciplinary Records

This letter is to confirm an understanding reached between the Company and the Union during 1983-84 negotiations in respect to the disciplinary record of employees.

The Company gives an undertaking not to use the disciplinary record of an employee which exceeds a three year period, in matters of evidence during grievance or arbitration proceedings, or when assessing current discipline.

Terry Tippin
Manager, Labour & Employment Relations
Union Gas Limited

TT/pk

LETTER OF UNDERSTANDING#6

June 6, 2003

Mr. T. Tippin,
Manager, Labour & Employment Relations,
Union Gas Limited,
50 Keil Drive North,
Chatham Ontario, N7M 5M1

RE: Seniority of Unionized Employees

As indicated by signature, the following Locals/Units agree to a reciprocal arrangement in the recognition and acceptance of Union seniority where a transfer of an employee between Locals occurs.

FOR THE UNION

Bob McFadden

Local 999 Chatham Operational
& Clerical Units

Paul Owen

Local 758 Windsor Operational
Unit

Darlene Drouillard

Local 999 Production Unit

Local 758 Windsor Clerical Unit

LETTER OF UNDERSTANDING #6

- 2 -

<u>Jim Humphries</u>	<u>Lillian Laird</u>
Local 8833 Waterloo Operational Unit	Local 8833 Waterloo Clerical Unit

<u>Jim Galvin</u>	<u>Mike Ridley</u>
Local 8833 Hamilton Operational Unit	Local 938 London Operational Unit

<u>Rika Kadonaga</u>	<u>E. Marlane Doucette</u>
Local 8833 Brantford Call Centre Unit	Local 938 London Clerical Unit

<u>Dante Girardi</u>	<u>John Marks</u>
Local 56 Brantford Operational Unit	Local 5 Simcoe Operational & Clerical Units

<u>Jack McNeill</u>	<u>Theresa Haynes</u>
Local 914 Sarnia Operational & Clerical Units	Local 8833 Hamilton Clerical Unit

<u>Jim Galvin</u>
For Local 999 Dunnville Operational Unit

LETTER OF UNDERSTANDING#7

June 6, 2003

Mr. D. Valente,
National Representative,
Communications, Energy & Paperworkers Union,
701 Evans Avenue, Suite 200
Etobicoke, Ontario
M9C 1A3

RE: Appointment of Chairman of Arbitration Boards

In the 1983-84 negotiations for renewal of the existing Collective Agreements, the Union proposed a change to the existing arbitration provisions.

During the discussions on this proposal, it was suggested and agreed that these Collective Agreement provisions remain unchanged. Further, it was agreed that in appropriate cases, the parties would continue with an arrangement aimed at expediting the process for establishing a hearing date.

This arrangement provides for the selection of a Board Chairman by the parties prior to the naming of each party's nominee to the Board. Each party will then appoint their nominee on the basis of being available to meet the hearing date established by the Board Chairman.

LETTER OF UNDERSTANDING #7

-2-

We believe this undertaking will greatly assist the parties in those situations where it is deemed appropriate to proceed as quickly as possible.

Terry Tippin
Manager, Labour & Employment Relations
Union Gas Limited

TT/pk

LETTER OF UNDERSTANDING#8

April 1, 2003

Mr. D. Valente,
National Representative,
Communications, Energy & Paperworkers Union,
701 Evans Avenue, Suite 200
Etobicoke, Ontario
M9C 1A3

Re: Full-Time to Part-Time

During the 2003 negotiations for renewal of the existing Collective Agreements, the parties reached an understanding regarding regular full-time roles that may become redundant and subsequently be designated as a Continuous Part-Time role. In this situation, the Company will provide the affected employee with six (6) months prior notice of the change from full-time to part-time status.

Should a vacancy occur in the regular full-time staff within the six (6) month period, and after the posting procedure has been completed, the redundant employee may elect to fill such a vacancy subject to meeting normal qualifications of the role. Such employees shall be paid not less than his regular rate of pay for the job which he occupied immediately prior, unless such employee successfully bids for a job of the same or lower grade than the new job in which case the employee's rate of pay will be adjusted to the employee's current step in the grade of the job.

LETTER OF UNDERSTANDING#8

- 2 -

At the end of the notice period the redundant full-time employee may choose to fill any vacant role within the bargaining unit for which they qualify, or the employee may exercise his/her seniority rights in accordance with the Collective Agreement.

Terry Tippin
Manager, Labour & Employment Relations
Union Gas Limited

TT/pk

LETTER OF UNDERSTANDING#9

June 6, 2003

Mr. D. Valente,
National Representative,
Communications, Energy & Paperworkers Union,
701 Evans Avenue, Suite 200
Etobicoke, Ontario
M9C 1A3

RE: Change of Shift

The Company made proposals for language changes during 1970-71 negotiations for renewal of the Collective Agreements to clarify the intent of certain sections of the Hours of Work and Overtime Article. Specifically, these changes dealt with the application and operation of the overtime provisions **as** well as the change in shift without 48 hours prior notice section. The proposed changes were prompted by the fact that misunderstandings had arisen in the application of the existing contract language.

It was agreed by the Company that withdrawal of their proposals and acceptance of essentially all the contract language dealing with overtime and change in shift as it appears in the agreements expiring December 31, 1970, would be based on the following agreement of intent respecting these items.

1. All shift and work schedules presently in operation will continue without the Company incurring any overtime or change in shift premium as a result of working the scheduled hours regardless of the hours or days worked.

2. The Company and Union agree that the penalty for change in shift and the overtime premiums will, in principle, be applied in accordance with the examples contained in Schedule 1 attached.

LETTER OF UNDERSTANDING#9

- 2 -

3. The daily clock, for purposes of determining the applicable overtime rate for overtime work performed during such daily period, will commence with the starting time indicated on the posted work schedule for that day, or with the starting time for the change in the employees' scheduled hours as a result of a change in such scheduled hours.

Example: Clause 3

(1)	(2)	(3)	(4)	(5)	(6)	(7)
8-4	8-4	8-4	4-12	4-12	1st day of rest	2nd day of rest

Daily clock for overtime purposes commences at 8 a.m. on days 1-2-3 and 4 p.m. on days 4-5. If an employee is required to work overtime commencing at 2 p.m. on day 5, the determination of the applicable overtime rate is based on the 4 p.m. starting time for day 4.

4. Commencement of days of rest for purposes of determining the applicable overtime rates for overtime work performed on days of rest will be based on the starting time of the last day of work in the work week immediately preceding such day or days of rest.

Example: Clause 4

(1)	(2)	(3)	(4)	(5)	(6)	(7)
8-4	8-4	8-4	4-12	4-12	1st day of rest commences at 4 p.m	2nd day of rest commences at 4 p.m.

LETTER OF UNDERSTANDING#9

- 3 -

The parties agree to continue with the application of the terms and conditions of the Memorandum of Intent for the term of the Collective Agreement.

FOR THE UNION

<u>J. Galvin</u> Local 8833 Hamilton Operational Unit	<u>T. Haynes</u> Local 8833 Hamilton Clerical Unit
--	---

<u>P. Owen</u> Local 758 Windsor Operational Unit	<u>D. Drouillard</u> Local 758 Windsor Clerical Unit
--	---

<u>J. Humphries</u> Local 8833 Waterloo Operational Unit	<u>L. Laird</u> Local 8833 Waterloo Clerical Unit
---	--

<u>M. Ridley</u> Local 938 London Operational Unit	<u>M. Doucette</u> Local 938 London Clerical Unit
---	--

<u>B. McFadden</u> Local 999 Chatham Operational & Clerical Units	<u>J. McNeill</u> Local 914 Sarnia Operational & Clerical Units
--	--

<u>D. Girardi</u> Local 56 Brantford Operational Unit	<u>R. Kadonaga</u> Local 8833 Brantford Call Centre Unit
--	---

<u>J. Marks</u> Local 5 Simcoe Operational & Clerical Units	<u>B. Price</u> Local 999 Production and Dunnville Operational Units
--	---

<u>D. Valente</u> CEPU National Representative	
---	--

LETTER OF UNDERSTANDING #9

- 4 -

FOR THE COMPANY

<u>T. Tippin</u> Manager, Labour & Employment Relations	<u>R. Feldmann</u> Director, Customer Care
--	---

<u>P. Rietdyk</u> Director, Operations Administration & Support	<u>D. Alexander</u> General Manager, Storage & Transmission Operations
--	---

<u>J. McReynolds</u> Manager, Labour Relations

SCHEDULE 1

Sample of a Regular Shift Now in Existence

Sat. Mid.		<i>D</i>	<i>D</i>	<i>D</i>	<i>D</i>	<i>D</i>	Sat. Mid.
1st Day Off	2nd Day Off	///	///	///	///	///	

	2nd					
1st Day Off	Day Off	///	///	///	///	///

	2nd					
1st Day Off	Day Off	///	///	///	///	///

	2nd					
Day Off	Day Off	///	///	///	///	///

This is a straight overtime situation whether scheduled or unscheduled and the change of shift schedule does not apply.

Permanent Change of Sample Shift by Extending Time Off

Sat. Mid.		<i>D</i>	<i>D</i>	<i>E</i>	<i>E</i>	<i>E</i>	Sat. Mid.
1st Day Off	2nd Day Off	///	///	///	///	///	

If 48 hours' notice has been given, no premium applies. If 48 hours notice has not been given, change of shift premium applies to first "E" Shift.

	2nd					
1st Day Off	Day Off	///	///	///	///	///

LETTER OF UNDERSTANDING #10

June 6, 2003

Mr. D. Valente,
National Representative,
Communications, Energy & Paperworkers Union,
701 Evans Avenue, Suite 200
Etobicoke, Ontario
M9C 1A3

Re: Like Jobs

During the 1989-90 negotiations for renewal of the existing Collective Agreements, an understanding was reached by the parties regarding the intent of "job" contained in Article IX (Hourly) and (Clerical).

For the purpose of these articles only, the jobs listed below shall be considered to be the same job as those shown, subject to the employee being sufficiently qualified, willing and able to do the work required.

Job	Considered the Same as Job:
Section Head	Those jobs over which the employee is Section Head
Special Service Representative (Grades 101 & 102)	Service Representative
Crew Leader (Grade 211)	Maintenance Representative
Welder (Grades 619-601)	Field Representative

LETTER OF UNDERSTANDING #10

-2-

Job	Considered the Same as Job:
Crew Leader (Grade 621)	Field Representative
Crew Leader Turbine Plant	Turbine Operator
Trafalgar Crew Leader	Compressor Operator

EXAMPLE:

In the event a Special Service Representative is to be laid off, such employee would be allowed to displace the most junior Service Representative in the Bargaining Unit. The displaced Service Representative would then exercise his seniority rights in accordance with the provisions of the Collective Agreement.

Terry Tippin
Manager, Labour & Employment Relations
Union Gas Limited

TT/pk

LETTER OF UNDERSTANDING#11

June 6, 2003

Mr. D. Valente,
National Representative,
Communications, Energy & Paperworkers Union,
701 Evans Avenue, Suite 200
Etobicoke, Ontario
M9C 1A3

Re: Redundancy Job Posting

In the 1983-84 negotiations for renewal of the existing Collective Agreements, the Union proposed changes to the provisions regarding the posting and filling of job vacancies.

During the discussion on these proposals, it was suggested and agreed that these Collective Agreement provisions remain unchanged. The Company did, however, agree that prior to transferring a redundant employee to an unposted job vacancy, any such transfer will be discussed with the Bargaining Unit. In addition, the Company will post notice within the Bargaining Unit regarding the transfer.

Terry Tippin
Manager, Labour & Employment Relations

TT/pk

LETTER OF UNDERSTANDING #12

May 2, 2003

Mr. D. Valente,
National Representative,
Communications, Energy & Paperworkers Union,
701 Evans Avenue, Suite 200
Etobicoke, Ontario
M9C 1A3

RE: Medical & Dental Appointments

During the negotiations for renewal of the Collective Agreements that expired December 31, 2002, the parties discussed this Letter of Understanding that was originally developed during the 1989-90 negotiations. It was agreed that the Letter would be modified to provide greater clarification of its intent.

- Full-time employees will be granted paid time off for up to three appointments per calendar year, and Continuous Part-time employees will be granted paid time off for up to two appointments per calendar year.
- Paid time off for “local” appointments will be up to a maximum of 2 hours. A local appointment is considered to be a distance up to 30 kilometres from the location (home, work site or report base) the employee leaves to attend the appointment.

LETTER OF UNDERSTANDING#12

-2-

- Paid time off for “out of town” appointments will be up to a maximum of 4 hours. An out of town appointment is considered to be a distance greater than 30 kilometres from the location (home, work site or report base) the employee leaves to attend the appointment.
- Paid time off applies only to physician and dentist appointments.
- Employees will schedule such appointments outside of normal working hours whenever possible or otherwise minimize the amount of time off work required.
- Employees may be required to support such absences in order to qualify for payment of time off during normal working hours.

Terry Tippin
Manager, Labour & Employment Relations
Union Gas Limited

TT/pk

LETTER OF UNDERSTANDING #13

June 6, 2003

Mr. D. Valente,
National Representative,
Communications, Energy & Paperworkers Union,
701 Evans Avenue, Suite 200
Etobicoke, Ontario
M9C 1A3

Re: Technological Change

This letter will serve to confirm our agreement with the proposal to form a committee comprised of representatives of the Gas Workers' Council and representatives of Management to meet as necessary from time to time and to discuss matters related to technological change.

This Committee will be made aware of the Company's plans in these areas as provided for in Section 14.13 of the Collective Agreement and, as well, this Committee will be advised of any concerns or recommendations that the Union or unionized employees may have in relation to such changes.

This Committee shall consist of not more than four **(4)** representatives from the Gas Workers' Council and an equal number from Management.

Terry Tippin
Manager, Labour & Employment Relations
Union Gas Limited

TT/pk

CHANGE IN REPORT BASE/TRANSFER OF WORK

During the negotiations for renewal of the Collective Agreements that expired December 31, 2002, the Communications, Energy and Paperworkers Union Locals and Union Gas Limited have agreed to the following terms and conditions to be used in the handling of future situations involving a change in report base initiated by the Company or a transfer of work initiated by the Company.

1. Unless otherwise expressed in this document, all terms and conditions set out herein apply to both Company initiated inter-local/unit (between one local/unit and another) and company initiated intra-local/unit (within a local/unit) changes in report base/transfer of work. These provisions also apply to redundant employees who may transfer to a new work location.
2. Situations qualifying for consideration are those which have been initiated by the Company and in which the employee's current report base is changed resulting in a new report base for the employee that is 25 or more miles from the current report base. The above arrangements are subject to prior Management approval.
3. An individual involved in a situation as set out in 2. above, who relocates his place of residence a distance which is at least 25 miles closer to the new report base, is entitled to receive the following relocation assistance. Relocation assistance is subject to meeting Canada Customs and Revenue Agency requirements for moving expenses. The maximum total expenses, including mileage allowance, may not exceed \$15,000.00
 - i. Cost of moving the employee's household and personal goods. Such assistance will be in accordance with Company

policy and practice. In the event the employee requires a mover, arrangements must be confirmed through the Company before being committed to.

- ii. The cost of a licensed real estate agent's commission resulting from the sale of the employee's principal residence. Such commission will not exceed 6% of the sale price of the house.
- iii. In the case of a renter, reimbursement for the net expense of obtaining a release of a lease at the former location, providing the expense does not exceed two months rent.
- iv. Legal fees and disbursements incurred through the use of a lawyer resulting from the sale of the employee's principal residence, and or the purchase of a home in the new location.
- v. Moving allowance (to a maximum of \$2,000.) to cover legitimate costs associated with the employee's relocation.
- vi. The Company will reimburse employees for commuting expenses for the difference between their current commuting distance to work and the commuting distance to their new work location at a rate of \$0.12 per kilometre. This commuting assistance will be provided for up to one year from the effective date of transfer to the new report base. Any commuting expenses paid to the employee will be deducted from the maximum amount of \$15,000 eligible under this Letter of Understanding, and any mileage claims must be processed on Company provided forms.
- vii. An employee has one year from the effective date of transfer to the new report base in which to exercise the option to relocate his/her principle residence in order to qualify for the relocation assistance provided.

NOTE:

The above payments are subject to prior Management approval and are subject to the terms and conditions governing relocation expense in effect at the Company and must be supported by appropriate receipts. All distances are assumed to be via the most direct route.

4. Where the change in report base or transfer of work is inter-local / unit, an employee affected by the change may choose to accept the transfer under the appropriate conditions or such employee may elect to exercise his/her seniority rights within their local / unit as provided for under Article IX of the Collective Agreement.
5. When the change in report base or transfer of work is inter-local /unit and the employee affected by the change chooses not to accept the transfer to the new report base, the Company will consult with the appropriate Union representatives for the purpose of developing temporary arrangements for a period of up to six months in order to effectively carry out the work in the new location. Further consultation will be held with the Union prior to extending such temporary arrangements beyond the six-month period.
6. Employees affected by a change in report base or transferring with their work in situations involving inter-local / unit transfer will be placed in the new local / unit in the appropriate job classification with all their existing Union seniority and Company service.
7. Employees accepting an inter-local/unit transfer will retain bidding rights within their old local/unit for a period of three years from the effective date of the transfer. This bidding privilege will be retained, providing the employee does not receive any of the relocation assistance set out in this document or such employee does not bid and become the successful applicant for any posted vacancy within the new local/unit to which he or she has been transferred.

If an employee still qualifies for this bidding privilege at the expiry of this three year period, he or she will be given one final opportunity to do so on the first vacancy occurring in the old local/unit after the termination of this three year period.

8. Where the change in report base or transfer of work is intra-local, a volunteer from the classification/job, or failing a volunteer, the most junior employee in the classification/job in the report base from which the transfer is being made must accept the transfer to the new report base.
9. In all situations of change in report base or transfer of work, there will be prior consultation with the appropriate representatives of the Union. The Company acknowledges that failure to reach agreement with the Union regarding the change in report base or transfer of work could result in a grievance being filed by the appropriate local/unit.
10. It is acknowledged by the Union that the Memorandum of Agreement between the parties regarding the assignment of work across Union local jurisdictional boundary lines, as it exists from time to time shall have no application whatsoever to the subject matter of this arrangement and in the event of any conflict between this arrangement and the Memorandum of Agreement regarding jurisdictional boundary lines, this Agreement regarding change in Report Base/Transfer of work shall prevail.

For the Union

D. Valente
CEPU National Representative

J. Galvin
Local 8833 Hamilton Operational
Unit

J. Humphries	L. Laird
Local 8833 Waterloo Operational Unit	Local 8833 Waterloo Office Unit
T. Haynes	R. Kadonaga
Local 8833 Hamilton Office Unit	Local 8833 Brantford Call Centre Unit
M. Ridley	M. Doucette
Local 938 London Operational Unit	Local 938 London Office Unit
J. Marks	B. McFadden
Local 5 Simcoe Operational & Clerical Units	Local 999 Chatham Unit (Operations and Office)
B. Price	B. Price
Local 999 Production Unit	For Local 999 Dunnville Unit

<u>P. Owen</u>	<u>D. Drouillard</u>
Local 758 Windsor Operational Unit	Local 758 Windsor Office Unit

<u>J. McNeill</u>	<u>D. Girardi</u>
Local 914 Sarnia Operational & Office Unit	Local 56 Brantford Operational Unit

For the Company

<u>T. Tippin</u>	<u>P. Rietdyk</u>
Manager, Labour & Employment Relations	Director, Operations Administration and Support

<u>R. Feldmann</u>	<u>D. Alexander</u>
Director, Customer Care	General Manager, Storage and Transmission Operations

<u>J. McReynolds</u>
Manager, Labour Relations

LETTER OF UNDERSTANDING#15

June 6, 2003

Mr. D. Valente,
National Representative,
Communications, Energy & Paperworkers Union,
701 Evans Avenue, Suite 200
Etobicoke, Ontario
M9C 1A3

RE: Contracting Out

his letter is a follow-up to our discussions during the 1994 negotiations on the issue of contracting out of work presently being performed by bargaining unit employees. We recognize the current requirements on this issue under section 14.05 and this letter does not in any way alter any of those collective agreement requirements. It is understood that there is a value and benefit to the employee, the Company and the customer when:

- employment security is enhanced by means of a productive, healthy and cost effective organization, and
- there is an improved understanding as to why contractors are utilized and how these actions can support employment security, and
- the Union and the Company work together to balance the interests of the customer, the employee and the Company regarding the issue of utilizing contractors

LETTER OF UNDERSTANDING #15

- 2 -

In accordance with the principles outlined above, the Company and the Union have agreed to exchange information and formally discuss issues related to the contracting out of work which is presently being performed by bargaining unit employees.

Terry Tippin
Manager, Labour & Employment Relations
Union Gas Limited

TT/pk

LETTER OF UNDERSTANDING#16

June 6, 2003

Mr. D. Valente,
National Representative,
Communications, Energy & Paperworkers Union,
701 Evans Avenue, Suite 200
Etobicoke, Ontario
M9C 1A3

RE: Alternate Work Schedules

During the 1996 negotiations for the renewal of the existing Collective Agreements, the Union put forward a proposal on "standards for alternate work schedules". Both the Union and the Company expressed interest in developing alternate work schedules that would better serve the needs and interests of our customers. In the negotiations for renewal of the Collective Agreements that expired December 31, 1999, "alternate work schedules" were again discussed and it was agreed by the parties to expand the hours of work that would be eligible for a shift premium.

In response to the Union's proposal and their concern regarding obstacles to implementation of alternate work schedules, the Company agrees to the following:

- (i) The "hours of work" section in the Collective Agreements will remain unchanged.

ARTICLE OF UNDERSTANDING#16

-2-

- (ii) Alternate work schedules will be jointly developed and agreed to locally.
- (iii) Employees working on an alternate work schedule (e.g. 10 or 12 hours) will be paid for recognized holidays, bereavement and jury duty according to the regularly scheduled hours of the alternate work schedule (e.g. 10 or 12 hours).
- (iv) Shift premiums for alternate work schedules will apply to all hours worked on a regularly scheduled alternate shift (i.e. a shift other than those specified in the Collective Agreement) that ends after 6:00 p.m., at the appropriate E or M shift premium.

T. Tippin
Manager, Labour & Employment Relations
Union Gas Limited

TT/pk

LETTER OF UNDERSTANDING#17

June 6, 2003

Mr. D. Valente,
National Representative,
Communications, Energy & Paperworkers Union,
701 Evans Avenue, Suite 200
Etobicoke, Ontario
M9C 1A3

RE: Workforce Adjustments

During the negotiations conducted in 1996 to renew the Collective Agreements, as a result of the Union proposal on job and bargaining unit security, the parties reviewed the then current provisions of the agreements and Letters of Intent, designed to protect the rights of employees in the event of a workforce adjustment. The Company indicated that although there are no plans to alter the workforce, it is acknowledged that it is not possible to predict the future.

In this context, and in recognition of the concerns expressed by the Union, the Company agrees that should a condition develop whereby it is determined by management that within a 30 day period, a significant work-force reduction is required, the Company will review the situation with the Union with a view to discussing the alternatives and reaching agreement on how the reduction can best be implemented to ensure a minimum impact on the employees involved.

LETTER OF UNDERSTANDING #17

-2-

Should there be no agreement within 30 days of the commencement of these discussions, the Company will utilize layoff or other procedures as provided in the Collective Agreement.

Terry Tippin
Manager, Labour & Employment Relations
Union Gas Limited

TT/pk

LETTER OF UNDERSTANDING #18

June 6, 2003

Mr. D. Valente,
National Representative,
Communications, Energy & Paperworkers Union,
701 Evans Avenue, Suite 200
Etobicoke, Ontario
M9C 1A3

RE: Banking of Overtime Hours

During the 1996 negotiations, the Union submitted a proposal for "banking overtime".

It was agreed as part of these negotiations that "banking overtime" as a concept could be implemented on a trial basis in all areas of the company under the following terms and conditions.

- (i) employees will have the option of being paid for overtime hours worked at the applicable overtime rate or being paid for overtime hours worked at their regular rate of pay and "banking" an equivalent number of hours.
- (ii) the number of "banked" hours must not exceed twenty-four **(24)** hours at any time.

LETTER OF UNDERSTANDING#18

-2-

- (iii) the unused "banked" hours will be paid out at periods during the calendar year agreed to by both parties (e.g. six month period). Employees will be paid at their regular rate of pay for these hours.
- (iv) employees must receive prior management approval to take time off using "banked" overtime hours. When approval is given, the employee will be paid for the scheduled time off at his/her regular rate of pay.
- (v) Management and Local Unit representatives will meet to discuss and mutually agree on the administration of the "banked overtime" process. It is agreed the trial period will be the term of the agreement.

Terry Tippin
Manager, Labour & Employment Relations
Union Gas Limited

TT/pk

LETTER OF UNDERSTANDING#19

June 6, 2003

Mr. D. Valente,
National Representative,
Communications, Energy & Paperworkers Union,
701 Evans Avenue, Suite 200
Etobicoke, Ontario
M9C 1A3

Re: CEPU Health, Safety & Industrial Relations Training Fund

During the negotiations for renewal of the Collective Agreements that expired December 31, 1999, the Union submitted a proposal to include provision in the Collective Agreement for Company financial support to the CEPU Health, Safety & Industrial Relations Training Fund. This fund provides training and seminars for union members, and, in addition, Company management is invited to participate in some of the programs offered under this fund.

The Company has agreed to continue its financial support to this fund for the term of the renewed Collective Agreement. This financial support will be \$15.00 per quarter for each employee of Union Gas Limited who is represented by the Communications, Energy and Paperworkers Union.

Terry Tippin
Manager, Labour & Employment Relations
Union Gas Limited

TT/pk

LETTER OF UNDERSTANDING #20

June 6, 2003

Mr. D. Valente,
National Representative,
Communications, Energy & Paperworkers Union,
701 Evans Avenue, Suite 200
Etobicoke, Ontario
M9C 1A3

Re: Employment Security

During negotiations for renewal of the Collective Agreements that expired December 31, 1999, the parties discussed the Company's intention to implement a "work management" system. During these discussions, the Union raised employment security issues.

The Union and the Company have historically demonstrated the ability to jointly develop processes that address employment security issues within the workplace. As result of these negotiations, the Company, in conjunction with the Union, reaffirms its commitment to mitigate employee disruption or dislocation in the workplace by considering any or a combination of the following:

LETTER OF UNDERSTANDING #20

- 2 -

- Job sharing opportunities
- Employee retraining
- Unpaid leaves of absence
- Voluntary layoff with recall rights
- Reduced hours per week
- Employment Counseling
- Relocation Assistance
- Commuting Assistance
- Recall rights to former location
- Temporary Assignments or project work
- Voluntary severance
- Enhanced layoff notification

Further, the Company and the Union may explore other opportunities that are appropriate to mitigate employee disruption or dislocation.

Terry Tippin,
Manager, Labour & Employment Relations
Union Gas Limited

TT/pk

LETTER OF UNDERSTANDING #21

May 23, 2003

Mr. D. Valente,
National Representative,
Communications, Energy & Paperworkers Union,
701 Evans Avenue, Suite 200
Etobicoke, Ontario
M9C 1A3

RE: Clerical Utility Locator Positions

The Company agrees to maintain the regular full-time clerical Utility Locator roles, in the locations named, for the employees named below. These roles in the Office Bargaining Units were created in the Memorandum of Agreement dated February 28, 2001 with the specific intent of mitigating job loss, and were made possible by the acquisition of Bell locate work.

- Windsor – Darlene Drouillard
- Windsor – Cathy Wigle
- Sarnia – Peggy Cole
- Waterloo – Beverly Rowley

In the event one of the above jobs becomes vacant, the Company will be under no obligation to post the vacancy and fill the position. Further, in the event the contract for the Bell locate work in any area is not maintained by the Company at any time in the future, these roles will be eliminated.

LETTER OF UNDERSTANDING #21

-2-

In the event that a certificate or licence is required to perform duties related to utility locate work, Clerical Utility Locator Employees would be certified / licenced to continue performing this work.

These positions will be Grade 5, eight hours per day, forty hours per week, and the normal hours of work will be 8:00 a.m. to 4:30 p.m. Monday to Friday.

Terry Tippin,
Manager, Labour & Employment Relations
Union Gas Limited

TT/pk

LETTER OF UNDERSTANDING#22

May 23, 2003

Mr. D. Valente,
National Representative,
Communications, Energy & Paperworkers Union,
701 Evans Avenue, Suite 200
Etobicoke, Ontario
M9C 1A3

Re: Recognition of Local 8833

During the negotiations for the renewal of the Collective Agreements that expired December 31, 2002, the Union proposed the merger of Locals 236, 633-0 and 888. The Company has agreed to recognize the preceding Locals and Bargaining Units as Local 8833 and to acknowledge the following administrative changes for the term of the renewed Collective Agreements, at which time this agreement will be reviewed.

In regard to this administrative merger of Locals, the following principles are agreed to:

- Each existing Bargaining Unit will continue to have a separate seniority list. There is no merger of seniority or Bargaining Units.
- This action will not serve to increase the number of CEPU representatives that participate in various meetings and committees, whether prescribed by the collective agreement or otherwise.

LETTER OF UNDERSTANDING#22

-2-

- This recognition of Local 8833 does not change, alter or affect the terms and conditions contained in the existing collective agreements between the CEPU and Union Gas Limited except as noted below.
- The Company agrees that the Local 8833 Chief Steward may participate in Step 3 grievance meetings. It is also understood that meetings will be scheduled to minimize the amount of Company paid time required to attend these meetings.
- The Company agrees to recognize the President of Local 8833, and that this recognition will not generally affect the day to day communications between local management and local Bargaining Unit representatives.
- It is agreed that Local 8833 will be represented by four **(4)** representatives at the next negotiations for renewal of the Collective Agreements.

T. Tippin

Manager, Labour & Employment
Relations

Union Gas Limited

D. Valente

CEPU National Representative