

COLLECTIVE AGREEMENT

BETWEEN

UNION GAS LIMITED

AND

UNITED STEELWORKERS



uniongas



**OPERATIONS
LOCAL 7846
SAULT STE. MARIE**

June 1, 2009 through May 31, 2012 Inclusive

ARTICLE INDEX

<u>ARTICLE</u>	<u>SUBJECT</u>	<u>PAGE</u>
1	Union Recognition.....	1
2	Representation.....	1
3	Union Security.....	3
4	Discrimination	6
5	Management Rights & Discipline	7
6	Emergency Operations	8
7	Grievance Procedure	8
8	Seniority	13
9	Probationary Employees.....	16
10	Safety Conditions, Practices & W.S.I.B.....	16
11.....	Clothing & Footwear	20
12	Holidays	25
13	Hours of Work, Overtime & Premiums.....	28
14	Annual Vacation	33
15	Leave of Absence	44
16	Meal Period.....	46
17	Standby	46
18	Layoff Notice	48
19	Layoff & Recall after Layoff	49
20	Strikes or Lockouts.....	50
21	Bulletin Boards.....	50
22	Job Posting	50
23	Incentive Plan	53

ARTICLE INDEX

<u>ARTICLE</u>	<u>SUBJECT</u>	<u>PAGE</u>
24	Employee Benefits	55
25	Pension	60
26	Employee Training & Development.....	61
27	Inclement Weather	62
28	Wage Rates, Job Classifications & Progressions	64
29	Cost of Living Allowance	64
30	Copies of Collective Agreement.....	66
31	Sexual Harassment.....	66
32	Term of Agreement.....	67
	Memorandum of Agreement – Pension.....	69
	Appendix “A”... Progressions	74
	Appendix “B”... Job Classifications & Wage Rates	81
	Letters of Understanding	84

SUBJECT INDEX

<u>SUBJECT</u>	<u>ARTICLE</u>	<u>PAGE</u>
Accidental Death and Dismemberment	24:01	55
Arbitration.....	7.....	8
Away From Home Compensation	13:10.....	32
Benefits	24.....	55
Benefits Commencement	24:01	55
Benefits Continuation	24:05	59
Bereavement Leave	15:03	45
Bulletin Boards	21:01	50
Bumping Rights	19:02.....	49
Call-Out Pay.....	13:06.....	31
Classifications (New or Change)	22:04.....	52
Clothing and Footwear	11:01	20
Clothing – C&M.....	11:02(a).....	22
Clothing – Meter Readers	11:02(d).....	23
C&M Hours of Work	13:01	28
Coffee Breaks	13:01(b)	29
Compensating Time Off	13:04.....	30
Contracting Out & Employees Not in Scope.....	3:04	5
Copies of Agreement.....	30:01	66
Cost of Living Allowance	29.....	64
Dental Plan.....	24:01	55
Discipline and Discharge.....	5.....	7
Discrimination	4:01	6
Dues Deduction	3:02	4
Early Retirement Benefits.....	24:07.....	59
Emergency Operations.....	6:01	8
Employee Benefits	24.....	55
Employee Savings Plan	24:06.....	59

SUBJECT INDEX

<u>SUBJECT</u>	<u>ARTICLE</u>	<u>PAGE</u>
Employee Training and Development	26.....	61
Extended Health Care Plan.....	24:01	55
Float Days.....	12:02	26
Footwear	11:03	24
General Leave.....	15:01	44
Glasses - Safety	11:04	24
Gloves & Rainwear.....	11:05	25
Grievance Procedure	7.....	8
Holidays	12.....	25
Hours of Work, Overtime & Premiums	13.....	28
Incentive Plan.....	23:01	53
Inclement Weather	27.....	62
Job Classifications	Appendix "B"	81
Job Posting	22:01	50
Jury Duty	15:04.....	45
Lay-Off Notice	18:01.....	48
Leave of Absence.....	15.....	44
Letters of Understanding.....		84
Life Insurance	24:01	55
Long Term Disability.....	24:01	55
Management Rights & Discipline.....	5.....	7
Meal Allowance	16:02	46
Meal Period	16:01	45
Meetings Between Company & Union.....	2:03.....	2
Moving Expenses	22:03	52
Negotiating Committee	2:03.....	2

SUBJECT INDEX

<u>SUBJECT</u>	<u>ARTICLE</u>	<u>PAGE</u>
New Classification	22:04	52
Orientation Program	3:05	6
Overtime & Hours of Work	13	28
Overtime - Calculation	13:05	31
Overtime – Distribution.....	13:02(a).....	29
Overtime Pay	13:02(b).....	29
Personal Paid Days.....	12:07	27
Pension (Flat Benefit)	25	60
Pension Choices	24:02	56
Pregnancy and Parental Leave	15:05	46
Probationary Employees	9:01	16
Progression.....	Appendix “A”	74
Protective Equipment	10:01	16
Rainwear.....	11:05	25
Recall After Layoff	19	49
Recognition	1:01	1
Representation	2	1
Reporting Allowance	13:09	31
Reprimands	5:03	7
Rest Periods	13:02(c).....	30
Retiree Benefits.....	24:07	59
Rotation of Standby	17:03	47
Safety & Health Committees	10:03	17
Safety & Health	10	16
Safety Footwear	11:03	24
Safety Glasses - Prescription	11:04	24
Seniority - Conditions	8	13
Seniority List	8:04	14

SUBJECT INDEX

<u>SUBJECT</u>	<u>ARTICLE</u>	<u>PAGE</u>
Seniority - Loss	8:06	14
Seniority - Obtained & Recognized	9:01	16
Seniority - Retention	8:03	13
Service & Distribution Dept Work Hours	13:01	28
Sexual Harassment	31	66
Shift Pay	13:07	31
Sick Pay	24:04	57
Standby	17	46
Strikes & Lockouts	20:01	50
Sunday Premium	13:08	31
Technological Change	26:04	62
Temporary Transfer	8:05	14
Temporary Vacancies	22:02	52
Term of Agreement	32	67
Training	26:02	61
Transfer to Another Classification	22:05	53
Transportation	13:11	33
Uniforms	11	20
Union Committee	2:01	1
Union Leave	15:02	44
Union Membership	3:01	3
Union Security	3	3
Union Recognition	1:01	1
Vacation	14	33
Vacation - Lay-Off Prorate	14:10, 14:11	38
Vacation - Pay in Lieu %	14:05(b)	37
Vacation - Scheduling	14:05; 14:06	37

SUBJECT INDEX

<u>SUBJECT</u>	<u>ARTICLE</u>	<u>PAGE</u>
Vacation - Statutory Holiday	14:07	38
Wage Rate Adjustments	28:03	64
Wage Rates	Appendix "B"	81
Wage Rates, Job Classifications, Progressions .	28.....	64
Weekly Indemnity.....	24:03.....	57
Witness Duty	15:04.....	45
Workplace Safety Insurance Board	10:02.....	17
Work Schedules	13:03.....	30

THIS AGREEMENT ENTERED INTO THIS
21st day of May, 2009

between

UNION GAS LIMITED

an incorporated Company under the laws of
Canada, hereinafter called the “Company”

and

UNITED STEELWORKERS, LOCAL 7846,
affiliated with the American Federation of Labour -
Congress of Industrial Organizations
and Canadian Labour Congress,
hereinafter called the “Union”

PURPOSE:

For, and in consideration of the mutual benefits likely to be obtained by way of more harmonious relationships between the Company and the Union, and the greater productive efficiency resulting there from, the parties hereto covenant and agree as follows:

ARTICLE 1

UNION RECOGNITION

1:01 The Company recognizes the Union as the sole and exclusive bargaining agency for all of its employees save and except: Supervisor, persons above the rank of Supervisor and office staff in Company operations in the franchised area of Sault Ste. Marie. The Company and Union agree that the reference to Sault Ste. Marie shall include Echo Bay, Elliot Lake, Desbarats, Bruce Mines, Thessalon, Iron Bridge and Blind River.

The terms and conditions set forth in this Agreement shall have full force and effect for both the parties to the Agreement during its term.

ARTICLE 2

REPRESENTATION

2:01 For the purpose of dealing with any matter or matters (excluding negotiations) between the Company and the Union, the Union Committee shall consist of any International Union personnel as the Union may deem necessary and not more than three (3) members of the Union who are employees of the Company, and one (1) of whom will be the Local Union President.

2:02 The Union will notify the Company in writing of the names of the officers and members of the Negotiating and Grievance Committees.

The Company will pay lost time basic wages for any two (2) members of the Union who are employees of the Company while such employees are attending meetings held in conjunction with Management Representatives:

(a) Labour Management meetings which are mutually agreed to be held during the term of the Collective Agreement.

(b) For the time spent at meetings with Management representatives in the processing of grievances. Despite the foregoing, the Company will not pay lost time basic wages involving employees in the arbitration process. The Company will not be penalized if rescheduling of employees is required to maintain operational work during the absence of employees on such activities providing such notice of rescheduling to affected employees is given just as soon as possible.

2:03

(a) The Company and the Union shall recognize a committee of four (4) in number, two (2) of whom shall be employees of the Company and members of the Union and two (2) of whom shall be employees of the Company and who shall represent Management, such committee to be known as a Negotiating Committee with the purpose of concluding recommendations to the parties to the Collective Agreement. This Committee may be expanded to add additional Company Management and/or International Union personnel.

(b) The Company will pay lost time basic wages (if any) for any two (2) members of the Union's Negotiating Committee who are employees of the Company during the time spent negotiating a renewal or revision to the Collective Agreement at meetings with Management representation.

This compensation shall not exceed a combined cumulative total of two hundred and forty hours (240) for any two

(2) employees, seven and one-half (7½) hours of which for each of the two (2) employees may be applied for proof reading the revised Collective Agreement. Each member of the Negotiating Committee will be paid four (4) hours traveling time at their straight time hourly rate when commuting between Sault Ste. Marie and Sudbury. Such traveling time will be deducted from the aforementioned cumulative total.

2:04 Meetings between Company and Union representatives shall take place at times and frequencies as mutually agreed upon the Company and Union.

Time periods paid by the Company will not be used for calculating overtime.

ARTICLE 3

UNION SECURITY

3:01

(a) All employees covered by the terms of this Agreement who are members of the Union or become members hereafter, must as a condition of employment, remain members in good standing for the duration of this Agreement.

(b) New employees covered by the terms of this Agreement who enter the Company service shall, as a condition of the continued employment, become members of the Union on the completion of thirty (30) calendar days continuous employment and shall remain members in good standing for the duration of this Agreement.

3:02

(a) The Company shall deduct Union dues including, where applicable, initiation fees and assessments, on a bi-weekly basis, from the total earnings of each employee covered by this Agreement. The amount of dues shall be calculated in accordance with the Union's Constitution.

(b) All dues, initiation fees and assessments shall be remitted to the Union forthwith and in any event no later than fifteen (15) days following the last day of the month in which the remittance was deducted. The remittance shall be sent to the International Secretary Treasurer of the United Steelworkers, AFL-CIO-CLC, P.O. Box 13083, Postal Station 'A', Toronto, Ontario M5W 1V7 in such form as shall be directed by the Union to the Company along with a completed Dues Remittance Form R-115. A copy of the Dues Remittance Form R-115 will also be sent to the Area Coordinator, USW, 68 Denis Street, Sault Ste. Marie, Ontario P6A 2W9.

(c) The remittance and the R-115 form shall be accompanied by a statement containing the following information:

- i) A list of the names of all employees from whom dues were deducted and the amount of dues deducted;
- ii) A list of the names of all employees from whom no deductions have been made and reasons;
- iii) This information shall be sent to both Union addresses identified in Article 3:02 in such form as shall be directed by the Union to the Company.

(d) The Union shall indemnify and save the Company harmless against all claims or other forms of liability that may

arise out of any actions taken by the Company in compliance with this Article.

(e) The Company, when preparing T-4 slips for the employees, will enter the amount of Union Dues paid by the employee during the previous year.

3:03 The employer agrees to acquaint new employees with the fact that a Union Agreement is in effect, with the conditions of employment set out in the Articles dealing with Union Security and Dues Check-off, and provide such new employees with a copy of the current Collective Agreement on their date of hire.

3:04

(a) Employees who are not covered by the Collective Agreement shall not perform work regularly performed by employees in the Bargaining Unit. The Company agrees that no employee who has established seniority shall be laid-off or demoted as a result of the Company contracting out work which regularly would have been performed by such employees.

(b) The Company agrees that the Union has an understandable concern over contracting out by the Company because of its effect upon such matters as job opportunity for regular employees.

(c) The Company will meet with the Union once every quarter to review and discuss information concerning the Company's ongoing operations and this meeting will be known as the "Labour/Management Meeting". The Union attendance at such meetings is limited to two (2) employees in the Bargaining Unit who will have any lost time during their regular shifts paid for by the Company at their applicable straight time hourly rate.

3:05 A representative designated by the Local or Bargaining Unit will be provided up to one hour per month for purposes of conducting the United Steelworkers orientation program. These meetings will be conducted during the probationary period of employees hired to Bargaining Unit positions and will be held on Company premises. Employees participating in the orientation program will not suffer loss of pay for attendance during their regular scheduled hours of work. The program will be conducted by a USW representative working in the location of the probationary employee. The meetings will be scheduled at times agreed to by management giving due consideration to operating requirements. A management representative may attend these orientation sessions as an observer. The Company will provide each employee with a copy of the Collective Agreement.

ARTICLE 4

DISCRIMINATION

4:01

(a) Neither the Company nor the Union will discriminate against any employee in regard to employment, membership or any term or condition of employment or membership on the basis of:

- race
- place of origin
- ethnic origin
- creed
- sexual orientation
- age
- family status
- ancestry
- colour
- citizenship
- sex
- handicap
- marital status
- record of offences

in accordance with and as defined in the parameters dictated in the Ontario Human Rights Code.

(b) In referring to employees in this Agreement, the gender of any adjective, pronoun, adverb, etc. will be interchangeable so that they apply to both sexes unless so stated in the applicable clause. The word “employee” as used in this Agreement may be interpreted to mean “employees” or vice-versa, as the context dictates.

ARTICLE 5

MANAGEMENT RIGHTS AND DISCIPLINE

5:01 The Union agrees that it is the right of the Company to manage the affairs of the Company and to direct the working force, subject to the terms of this Agreement.

5:02 The right to hire, discharge or discipline for cause and to maintain discipline and efficiency of employees is the right and responsibility of the Company, except that Union members shall not be discriminated against as such and providing that any decision of Management relating to discipline may be appealed through the grievance procedure. The Company agrees to notify the Union whenever an employee is discharged and the reason for the discharge.

5:03

(a) Reprimands involving suspension issued to an employee by the Company shall be removed from an employee’s personnel file providing there has not been any additional offence(s) within a twenty-four (24) month period.

(b) Reprimands not involving suspension issued to an employee by the Company shall be removed from an employee's personnel file providing there has not been any additional offence(s) within a twelve (12) month period.

ARTICLE 6

EMERGENCY OPERATIONS

6:01 In the event of a serious disruption of service, breakdown or other emergency, employees shall unite to meet the emergency and shall, until the danger has been brought under control, perform such duties as may be required of them regardless of their occupation.

ARTICLE 7

GRIEVANCE PROCEDURE

7:01 There shall be a Grievance Committee of three (3) employees elected by the members of the Union.

Should any grievance arise involving any question relating to wages, hours of work and other conditions of employment, or changes which may arise out of this Agreement, the following steps shall be taken.

Step One – The employee, along with his/her Steward if he/she so desires, shall submit a grievance in writing and shall meet with the Supervisor, or his/her delegate, to discuss the grievance. The Supervisor, or his/her delegate, will render a

decision in writing to the Steward and the Local President within seven (7) calendar days following the meeting.

Step Two – If the grievance is not resolved at “Step One” then the Union may request in writing, within a further ten (10) calendar days, a meeting with Company Management. The Union and the Company will arrange to meet within a further fourteen (14) calendar days. The Union’s International Representative may be present at this meeting.

Management, as a result of the meeting, shall render a decision in writing within a further seven (7) calendar days, copies of which will be given to the Steward(s) involved, the Local President, and also to the Union’s International Representative. If the Union is not satisfied with the results of the meeting, the grievance may be referred to Arbitration as herein provided.

7:02 A grievance shall be deemed waived unless the matter is processed by the Union to the Company within twenty (20) calendar days from the date the misunderstanding arises, as long as the employees or Union had a reasonable opportunity to learn of the infraction.

7:03

(a) The Union shall have the right to initiate a group grievance (that is a grievance involving a group of employees as a result of similar circumstances) or a policy grievance (that is a grievance of a general nature with no individual remedy) by submitting and processing it in accordance with “Step Two” in Section 7:01 of this Article.

(b) The Company shall have the right to initiate a grievance(s) relating to any difference in interpretation, application or administration of the Agreement, including any question

whether a matter is arbitrable, or where an allegation is raised that the Agreement has been violated, under “Step Two”, preceding.

7:04 In the event of a claim by an employee that he/she has been unjustly discharged, the claim in the form of a grievance may be processed at “Step Two” of the grievance procedure within seven (7) calendar days from the date that the discharge took place. The grievance may be settled by the parties to the Collective Agreement or failing to do so by the Arbitration Board or Sole Arbitrator by:

- (a) Confirming the Management’s decision of discharging the employee; or,
- (b) Reinstating the employee with full compensation for the lost time; or,
- (c) Any other arrangement which is agreed to by the conferring parties or by the Board of Arbitration or Sole Arbitrator.

Despite the foregoing in this Section 7:04, any compensation which may be decided on shall not exceed the employee’s normal basic rate of pay for any lost time.

7:05 Should the Union fail to carry on a grievance within the time limits set out in this Article, or agreed upon, then the grievance shall be deemed to be abandoned. Should the Company fail to answer a grievance within the time limits set out in this Article, or agreed upon, then the grievance shall be awarded to the grievor or grievors.

7:06 Where a grievance is not settled under the preceding Sections of this Article, including the question of whether or not a matter is arbitrable, or where an allegation is made that this

Collective Agreement has been violated, either of the parties may notify the other party in writing of its desire to submit the grievance or allegation to Arbitration within thirty (30) calendar days from the date of Management's answer at "Step Two".

7:07 A Shop Steward involved in processing a grievance or wishing to discuss matters involving the Collective Agreement must first obtain permission from his/her Supervisor, Delegate or Foreman before leaving work. The Supervisor, Delegate or Foreman will endeavour, as promptly as possible, to provide a reasonable time period in order that the Shop Steward may perform such functions. The Shop Steward shall not suffer a loss of pay for the time so spent during the regular working hours.

7:08 Where a difference arises between the parties relating to the interpretation, application or administration of this Agreement, including any question as to whether a matter is arbitrable, or where an allegation is made that this Agreement has been violated, either of the parties may, after exhausting any grievance procedure established by this Agreement, notify the other party in writing of its desire to submit the difference or allegation to Arbitration. The notice shall contain the name of the first party's appointee to an Arbitration Board; a list of at least three (3) names, any one of which is acceptable to the first party as a Sole Arbitrator; and its preference for either an Arbitration Board or Sole Arbitrator.

The recipient of the notice shall, within five (5) days, advise the other party of its appointee to an Arbitration Board, or within ten (10) days agree mutually with the Union on the appointment of a Sole Arbitrator.

7:09 If the application of Section 7:08 results in a desire to constitute an Arbitration Board, the two (2) appointees so selected shall within five (5) days of the appointment of the second of them, appoint a third person who shall be Chairman. If the recipient of the notice fails to respond within the time limit, or if the two (2) appointees fail to agree upon a Chairman within the time limit, or if the parties fail to agree on a Sole Arbitrator within the time limit, then the appointment of a Chairman or Sole Arbitrator shall be made by the Minister of Labour upon the request of either party. The Arbitration Board or Sole Arbitrator shall hear and determine the difference or allegation and shall issue a decision which shall be final and binding upon the parties and upon any employee affected by it. In the case of a Board, the decision of the majority shall be the decision of the Arbitration Board, but if there is no majority, the decision of the Chairman shall govern.

7:10 No person may be appointed as an Arbitrator who has been involved in an attempt to negotiate or settle the grievance. Each of the parties hereto will bear the expense of its appointee to an Arbitration Board and the parties will jointly bear the expenses, if any, of the Chairman of the Arbitration Board or Sole Arbitrator. The proceedings of the Arbitration Board or Sole Arbitrator will be expedited by the parties hereto.

7:11 The Arbitration Board or Sole Arbitrator is not authorized, nor is there any jurisdiction to alter, amend, change, add to, or modify any part or provision of this Collective Labour Agreement.

ARTICLE 8

SENIORITY

8:01 Seniority equates with the length of Company service each employee has accumulated. Such seniority shall be recognized by the Company as the factor in granting preference to employees in promotions, lay-offs, and rehiring after layoffs when such involves positions within the Bargaining Unit. Seniority shall be recognized on a Bargaining Unit-wide basis and shall be based on accumulated service.

8:02 An employee may decline a promotion at any time without affecting his future standing or promotional rights. When an employee advances over another employee, he/she shall hold seniority rights on the job advanced to and all senior jobs in the line of promotion, but he/she shall revert around this employee when demoted to the position which he/she formerly held.

8:03 Seniority shall be retained and accumulated during:

(a) An authorized leave of absence;

(b) An absence due to illness or injury for a maximum of twenty-four (24) months providing the employee satisfies the Company of such disability. For employees commencing Long Term Disability on or after June 1, 1994, seniority shall be retained and accumulated during an absence due to illness or injury for a maximum of forty-eight (48) months. Thereafter, seniority will be retained unless terminated through the application of Section 8:06.

Note: An employee will continue on Long Term Disability / Workplace Safety Insurance, in accordance with the terms of the

plan(s). Such an employee will be entitled to the provisions of Article 24:05 "Continuation of Employee Benefits". If the employee is physically unable to do the same or similar work to that which he/she was doing prior to the disability, the Company will endeavour to transfer the individual to suitable work, providing such work is available and the employee accepts this work at the rate currently applicable thereto.

8:04

(a) The Company shall maintain a seniority list for employees who are covered by the Collective Agreement. Such a list will be revised once yearly. Copies of this list shall be placed on, or adjacent to, the Union's Bulletin Board. A current copy of the list shall be given to the Union.

(b) The Human Resources Department will supply, upon request, a list of current names and addresses of all employees covered by the Bargaining Unit to the U.S.W. Staff Representative. Such information may be requested three (3) times per year.

8:05 Temporary Transfer

An employee temporarily transferred to a higher-paid position within the Bargaining Unit shall receive the higher rate of pay which goes with that position and will revert to his/her regular rate on completion of the temporary work. An employee temporarily transferred to a lower position shall continue to receive his/her regular rate of pay.

8:06 An employee shall lose his/her seniority for the following reasons only:

- (a) Voluntary quitting.
- (b) Discharged not reversed through the grievance procedure.
- (c) Absence for five (5) consecutive working days without notifying the Company in which case the employee shall be considered to have voluntarily quit.
- (d) If the employee is laid off and fails to return to work within ten (10) calendar days after he/she has been notified to do so by the Company by registered mail to the employee's last known address on the Company's records. A copy of such notice shall be sent to the Union.
- (e) If the employee is laid off for a period in excess of twelve (12) calendar months; however, if his/her seniority is in excess of twelve (12) calendar months, then such seniority will not be broken unless the layoff exceeds nineteen (19) calendar months.
- (f) If the employee overstays a leave of absence without reasonable cause.
- (g) If the employee accepts a position in the Corporation in Sault Ste. Marie which is not within the scope of the Bargaining Unit.

ARTICLE 9

PROBATIONARY EMPLOYEES

9:01 Seniority of each employee covered by this Agreement shall be established after a probationary period of sixty (60) calendar days, and shall count from the date of employment.

ARTICLE 10

SAFETY CONDITIONS, PRACTICES & WORKPLACE SAFETY INSURANCE

10:01 Safety Conditions and Practices

The Company and the Union agree that they mutually desire to maintain high standards of safety and health in order to prevent injury or illness. The Company supplies certain protective equipment, at no cost to the employee, such as eye shields, first aid kits, fire extinguishers, hard hats and liners, barricades, road flares, etc., and it is a Company rule that such equipment shall be used by employees. Any suggestions by the employee or the Union involving safety equipment or safe work practice shall be given study and consideration by the Company.

The Company agrees to fully acquaint all of its employees with safety protective equipment and its safety program. Any question arising under this Article may be discussed at any time between the Union and the Company, at the request of either party.

10:02 Workplace Safety Insurance Board

(a) An employee injured while and as a result of performing his/her Company's duties will suffer no loss of basic pay on the day he/she was injured providing in the opinion of the Company or a doctor the employee was unable to continue working.

(b) If an employee is injured in the course of performing work duties assigned by the Company and as a result of such injury is in receipt of payment by the Workplace Safety Insurance Board for time lost, the Company shall pay the difference between the amount received by the employee from the Workplace Safety Insurance Board for lost basic wages and the amount he/she would have received for his/her basic wage had he/she not been injured. Such payment will be made on a separate pay deposit. Under no circumstances shall the Company continue the make-up of the difference beyond three (3) calendar months from the day the employee became entitled to Workplace Safety Insurance Board payment. Basic pay is defined as the amount received by an employee for seven and one-half (7½) hours work per day or thirty-seven and one-half (37½) hours per week as the case may be, excluding shift premiums, overtime, and standby compensation. This Section 10:02 (b) does not apply to probationary employees. It is understood and agreed that any payment by the Company which exceeds an amount greater than his/her basic wage when such an amount is combined with his Workplace Safety Insurance Board payment, then the excess payment shall be refunded to the Company.

10:03 Safety and Health Committees

(a) An Occupational Safety and Health Committee will be established, maintained and consist of:

Sault Ste. Marie – Two (2) Management and two (2) Bargaining Unit members, (from the Company Operation in Sault Ste. Marie.)

(b) The Committee will meet in Sault Ste. Marie at least every three (3) months to consider all matters pertaining to Occupational Safety and Health and effectively recommend ways and means of improving and maintaining the safety standards and safe working procedures for the purpose of preventing occupational injury and illness.

(c) Two (2) Committee members (one (1) from Management and one (1) from the Union) shall meet locally in Sault Ste. Marie and inspect the physical condition of the Construction and Maintenance Shop/Yard, and Customer Service Shop, once each month.

(d) The Committee will regularly study and effectively be guided by any applicable Safety and Health Legislation, relative to the mutual obligations and responsibilities to the Company and its employees and to provide safe and efficient service to the General Public, specifically;

- (i) Identifying situations that may be a source of danger or hazard to employees;
- (ii) Making constructive recommendations to Management to improve safety standards and procedures, including the establishment, maintenance and monitoring of programs, measures and procedures respecting the occupational safety and health of Bargaining Unit employees;
- (iii) Identifying potential or existing hazards of materials, processes or equipment;
- (iv) Internal review of Occupational Safety and Health standards and experience relative to Workplace Safety Insurance Board activity

within the Company and other gas utilities, where applicable;

- (v) Maintain, post and distribute to Committee members minutes approved by the local Occupational Safety and Health Committee which shall reflect all matters considered by the Committee;
- (vi) Designating one (1) Union employee (a Safety and Health Committee member) to investigate cases where a member of the Bargaining Unit is killed or critically injured in the performance of his/her duties.

(e) The Company shall maintain all reasonable and necessary precautions for the Occupational Safety and Health of its employees and continue the following practices:

- (i) providing and maintaining certain equipment and devices for use to protect employees from known hazardous conditions which may exist from time to time;
- (ii) providing a training program to insure safe involvement when utilizing the equipment and devices referred to in (e)(i);
- (iii) providing first aid treatment supplies;
- (iv) payment of lost time basic wages (if any) for duly designated safety representatives when such employees are attending safety meetings;

- (v) giving prompt attention and consideration to the Joint Committee's recommended suggestions within twenty-one (21) days.

ARTICLE 11

CLOTHING AND FOOTWEAR

11:01 The Company will provide for employees who have seniority and are required to wear uniforms, the following clothing provided that the employee maintains the uniform at his/her own expense. It is agreed that the uniform is to be worn at all times when on duty.

- (a) The initial uniform purchase shall consist of:
 - (i) Two (2) toques;
 - (ii) Two (2) baseball caps;
 - (iii) Ten (10) shirts (long/short sleeve, golf shirt, orange t-shirt with striping);
 - (iv) Five (5) pants;
 - (v) One (1) pair of winter overshoes, maximum \$50.00 (for Utility Services Representatives, Meter Readers, Line Locators);
 - (vi) One (1) windbreaker;
 - (vii) One (1) flame retardant winter weight parka;
 - (viii) One (1) flame retardant winter weight bib-style pants;

- (ix) Three (3) coveralls;
- (x) One (1) vest;
- (xi) Three (3) hooded fleece sweaters;

(b) After the initial uniform clothing is provided, the following replacement clothing will be supplied annually, unless otherwise stated below:

- (i) One (1) coverall. Additional coveralls may be replaced if the supervisor agrees the condition warrants and the worn pair is returned;
- (ii) Five (5) pants;
- (iii) Three (3) shirts (long/short sleeve, golf shirt, orange t-shirt with striping);
- (iv) One (1) toque;
- (v) One (1) baseball cap;
- (vi) One (1) windbreaker;
- (vii) One (1) vest;
- (viii) One (1) flame retardant winter weight parka every thirty-six (36) months. If the supervisor agrees the condition warrants replacement, and providing the worn item is returned in the period of twenty-four (24) months to thirty-five (35) months, the item will be replaced. However, the item will be replaced after thirty-six (36) months if not replaced under the twenty-four (24) to thirty-five (35) month conditional replacement, described above;

- (ix) One (1) pair of flame retardant winter weight bib-style pants to be issued every three (3) years. ;
- (x) Two (2) hooded fleece sweaters;
- (xi) One (1) pair of winter overshoes, maximum \$50.00 (every two years for Utility Services Representatives, Meter Readers, Line Locators).

11:02 Clothing for Construction and Maintenance Crew

(a) The Company during the life of the Collective Agreement will supply to employees with nine (9) months seniority and shall pay for one hundred percent (100%) of the cost of a flame retardant winter weight parka and winter bib-style pants. If the Foreman agrees the condition warrants replacement and providing the worn item is returned in the period twenty-four (24) months to thirty-five (35) months, the item will be replaced. However, the item will be replaced after thirty-six (36) months (to be ordered three (3) months prior) if not replaced under the twenty-four (24) to thirty-five (35) month conditional replacement.

(b) The Company will supply all employees with work gloves and rainwear when work conditions require same and the employee concerned so requests. In addition the Company agrees during the life of the Collective Agreement to supply three (3) pairs of coveralls and replace same as necessitated by wear providing the employee concerned returns the worn pair except for employees who are probationary. Such probationary employees will receive one (1) pair of coveralls and be issued with two (2) additional pairs upon completion of their probationary period.

(c) The Company will provide two (2) pairs of bib-style flame retardant coveralls per year to each welder, (Carhart or equivalent).

(d) Clothing for Meter Readers Only

- i) two (2) baseball style Caps;
- ii) one (1) fur hat (every three (3) years) or one (1) ski cap or two (2) toques;
- iii) two (2) long sleeve shirts;
- iv) two (2) short sleeve shirts or two (2) golf shirts;
- v) two (2) "V" neck sweaters or three (3) turtlenecks;
- vi) two (2) winter pants;
- vii) two (2) summer pants or one (1) summer pants and one (1) pair shorts;
- viii) one (1) winter weight parka, complete with hood, to be replaced if the Supervisor agrees the condition warrants replacement and providing the worn parka is returned, in the period twenty-four (24) months to thirty-five (35) months. However, the item will be replaced after thirty-six (36) months if not replaced under the twenty-four (24) to thirty-five (35) month conditional replacement.
- ix) one (1) rain suit or one (1) shell jacket (every second issue);
- x) one (1) bi-swing jacket or one (1) bomber jacket;
- xi) one (1) winter weight bib pants every two years.

11:03 Safety Footwear

All Employees (except students and Meter Readers) required by law to wear safety footwear will be eligible, upon the completion of the probationary period, to receive reimbursement for one (1) pair of approved safety footwear purchased during their probationary period and one (1) additional pair each year of the Collective Agreement. The Company upon receiving a paid receipt will reimburse such an employee on the basis of one hundred percent (100%) of the cost of each pair of approved safety footwear. Effective September 26, 2003, the Company payment will not exceed one hundred and fifty (\$150.00) dollars per calendar year.

Meter Readers, will be eligible upon the completion of the probationary period to receive reimbursement for footwear purchased during their probationary period and every calendar year thereafter. The Company upon receiving a paid receipt will reimburse such an employee on the basis of one hundred percent (100%) of the cost of each pair of approved work related footwear. Effective June 1, 2009, the Company payment will not exceed one hundred and fifty (\$150.00) dollars per calendar year. Meter Readers will be required to wear approved safety footwear where required under provincial safety legislation.

11:04 Safety Glasses

During the life of the Collective Agreement, the Company will pay one hundred percent (100%) of the cost of one (1) pair of safety prescription glasses and frames as required by an employee doing assigned work, which necessitates the wearing of safety glasses, through the Canadian Optometrist Association program.

Should an employee require progressive bi-focals, the employee may purchase the prescription safety glasses with the same type of lenses.

If the employee sustains damage to his/her safety prescription glasses while performing his/her assigned duties, the Company will subsidize the cost of repair or replacement of these safety glasses in the amount of one hundred percent (100%) of the cost.

During the term of the collective agreement for 2009/2012 when an employee selects their first pair of prescription safety glasses, the employee may also select a pair of prescription safety sunglasses paid by the company should the employee require both clear and shaded lenses safety glasses. Pre-management approval will be required prior to ordering of prescription sunglasses.

11:05 Gloves and Rain Wear

The Company will supply all employees with work gloves and rain wear when work conditions require same and the employee concerned so requests.

ARTICLE 12

HOLIDAYS

12:01 All active employees (not laid off or in receipt of Long Term Disability or Workplace Safety Insurance Board benefits) shall be paid for the following holidays at their regular hourly rate without being required to render service for such holidays:

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

*** Note: Seasonal employees are not entitled to the "Christmas Eve Day" holiday**

12:02

(a) The Company will grant float holidays; the dates of which, for each regular full-time employee will be determined by mutual agreement between the Company and the employee; three (3) to be recognized between the period June 1 through May 31 in each year of the collective agreement.

For Seasonal employees, the Company will grant float holidays, the dates of which for each employee will be determined by mutual agreement between the Company and the employee; Four (4) to be recognized during the period June 1 to May 31 in each year of the Collective Agreement.

(b) Employees completing their probationary periods during the aforementioned time frames will have their float entitlement pro-rated for that period only as follows: One (1) float for each four (4) months of continuous active work.

(c) An employee will receive make-up pay based on a normal day at regular rates and hours for those float days which they were unable to observe due to disability in the first twenty-six (26) weeks of such disability.

12:03 Where a holiday as stated in Clause 12:01 falls on a Saturday, the previous Friday will be observed in lieu thereof and if such holiday falls on a Sunday, the following Monday will be observed in lieu thereof.

12:04 Where the municipality of Sault Ste. Marie observes days other than those laid out in either Sections 12:01 or 12:03 of this Article, the Company and the Union will select such day(s) in lieu thereof.

12:05 Time worked on a holiday as listed in this Article or on a day observed as a holiday, but not both, shall be paid for at the rate of double time the basic hourly rate. In addition the eligible employee shall receive holiday pay (seven and one-half (7½) hours basic pay) for the holiday or for the day observed, but not both.

12:06 Employees who are on Standby on Christmas shall be entitled to an additional day off without pay, to be scheduled and taken prior to January 15 of the following year.

12:07 Personal Paid Days

All seniority employees shall be entitled to two (2) personal paid days within the period June 1 to May 31 in each year during the term of the Collective Agreement. Pay-in-lieu is not available for a Personal Paid Day. The granting of a Personal Paid Day shall be subject to established guidelines.

ARTICLE 13

HOURS OF WORK, OVERTIME AND PREMIUMS

13:01

(a) Hours of Work

The standard work week shall consist of thirty-seven and one-half (37½) hours based on five (5) consecutive seven and one-half (7½) hour working days to be worked as set out in the following schedules:

Service and Distribution Department Employees:

- First Shift – 8:00 a.m. to 12:00 noon
– 12:30 p.m. to 4:00 p.m.
Second Shift – 1:00 p.m. to 8:30 p.m.

It is understood and agreed that the lunch period will be covered by one (1) employee on duty.

Construction and Maintenance Department Employees:

- First Shift – 8:00 a.m. to 12:00 noon
– 12:30 p.m. to 4:00 p.m.
Monday to Friday inclusive.

Utility Services Representatives:

A shift refers to the hours of work of one or more employees.

- A shift starting on or after 8:00 a.m. but before 10:00 a.m. is a first (or day) shift.
- A shift starting on or after 10:00 a.m. but before 6:00 p.m. is a second (or afternoon) shift.
- A shift starting on or after 6:00 p.m. but before 8:00 a.m. is a third (or night) shift.

The basic workweek for Utility Services Representatives shall be Monday through Saturday, five (5) consecutive days. All applicable employees when considered by the Company to be sufficiently experienced and skilled shall take their workweek in rotation, except when vacations, leave of absence, sickness, injury or any emergency prevents such an employee from working. Under such circumstances the next employee in line of rotation shall take over the workweek concerned.

Line Locators:

The hours of work for the Line Locator position will be 7½ hours per day between the hours of 8:00 a.m. to 9:00 p.m., any five consecutive days between Monday and Saturday. Shift premiums will apply in accordance with the provisions of the collective agreement.

(b) Coffee Breaks

The Company will provide two (2) fifteen (15) minute coffee breaks during each 7 ½ shift.

13:02

(a) Overtime Distribution

Overtime will be distributed among the employees who normally perform the work fairly and equitably.

(b) Overtime Pay

Overtime as authorized by the Company shall be paid for at the following premium rates:

- (i) Two (2) times the regular hourly rate for hours worked on a statutory holiday or an employee's scheduled days off.

- (ii) Two (2) times an employee's regular hourly rate for all hours worked in excess of seven and one-half (7 1/2) hours on a regular scheduled day.
- (iii) For hours worked between midnight to 8:00 a.m. for each call, employees shall be paid double time for hours worked or a two (2) hour minimum at their overtime rate whichever is the greater. If a subsequent call is received within the initial two (2) hour period, there will be no pyramiding.

No employee will be entitled to or receive more than double his regular basic rate for hours worked. There will be no doubling up or pyramiding of premium rates.

(c) 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.

13:03 Work Schedules

Work schedules shall be posted not later than Thursday of the preceding week. Employees shall be scheduled to work on the same shift for a period of not less than one (1) work week, subject, however, to change in the event of any scheduled employee's absence from work.

13:04 No employee shall be required to lay-off in order to compensate for having worked overtime.

13:05 Overtime Calculations

Overtime shall be calculated in units of one-half (½) hour.

13:06 Call-Out Pay

An employee (who is not on standby) who has already left the premises of the Company after completion of his/her scheduled shift and who is recalled for work shall be paid double his/her regular straight time hourly rate for all hours worked on recall up to the starting time of his next scheduled shift, but in any event the employee shall be paid for not less than two (2) hours at double his/her regular straight time hourly rate.

13:07 Shift Pay

Each employee scheduled to work on any shift commencing after 9:00 a.m. shall be paid a shift premium of seventy-five cents (\$0.75) per hour for all hours worked by him/her on that shift and overtime hours worked in continuity with such shift. Shift premiums payable under this provision shall not be included as part of the employee's regular pay for purposes of computing overtime pay.

13:08 Sunday Premium

The Company will pay a premium of \$2.25 for each hour an employee may work on a Sunday. This premium will not be used when calculating overtime.

13:09 Reporting Allowance

If an employee reports for work on a regular shift without having been notified previously not to report, he/she shall be given full shift hours if work is available, or if no work is available, he shall be given at least four (4) hours' pay at regular rates.

13:10 Away From Home Area Compensation

An employee who is authorized by the Company to work outside of Sault Ste. Marie will receive:

(a) Payment at the employee's applicable hourly rate for required traveling time.

(b) Payment for hours worked at the employee's regular basic pay rate including premium for overtime when applicable.

(c) Accommodation arranged and paid for by the Company. Normally not more than two (2) employees will share a room. Room sharing will be determined by the existing crew.

(d) The company will either arrange and pay for three (3) meals or supply such meals or allow such employees to arrange for their own meals providing receipts are submitted for each twenty-four (24) hour period. In addition an employee who works three (3) hours overtime beyond the completion of his/her regular seven and one-half (7½) hour work period shall be allowed a thirty (30) minute paid meal period and an overtime meal allowance of seven dollars (\$7.00). A similar paid period will be scheduled with identical meal allowance after the employee completes an additional four (4) hours of overtime.

(e) The Company shall pay five dollars (\$5.00) per day for each day an employee is required to work away from the established service centre and stay overnight.

(f) Except in the event of an emergency, the Company will give at least eighty-eight (88) hours' notice to employees who may be required to be away from their home base area overnight or for longer periods.

13:11 Transportation

The Company wherever possible will provide adequate transportation so that an employee will not normally be required to use their own vehicle. If, however, the Company requests that an employee use his/her vehicle, the employee shall be compensated for all mileage involving Company business as per the company policy. The policy is subject to change at the full discretion of the company.

ARTICLE 14

ANNUAL VACATION

14:01 Gross earnings for the purpose of this Article shall be the amount of wages earned and specified on the T4 Income Tax Certificate issued by the Company. "Basic pay" shall be defined as the amount received by an employee, or would have received for seven and one-half (7½) hours work per day or thirty-seven and one-half (37½) hours per week calculated at the employee's regular hourly rate in effect immediately prior to the taking of vacation.

14:02

(a) Employees who are terminated with less than one (1) year's service shall receive the Vacation Entitlement in accordance with the requirements of the Vacation Section of the "Employment Standards Act".

(b) Employees who are terminated with more than one (1) year's service shall receive the Vacation Entitlement in accordance with the application of 14:03, 14:04, 14:10, and 14:11 of this Article and their anniversary date.

14:03 The following Section 14:03 applies only to employees employed by the Company on September 12, 2003.

(a) Employees with one (1) year but less than two (2) years of service will receive two (2) calendar weeks, ten (10) business days, as time off for vacation. Vacation pay will be four (4) percent of gross earnings as determined by the employee's T4 Income Tax Slip for previous calendar year or two (2) weeks' basic pay, whichever is the greater.

(b)

Completed Anniversary
Years of Service

Vacation with Pay

Two (2) Years Service

Two (2) calendar weeks (ten (10) business days). Vacation pay will be four percent (4%) of employee's gross earnings for the previous year or two (2) weeks basic pay, whichever is the greater.

Three (3) to Eight (8) Years Service

Two (2) calendar weeks (ten (10) business days). Vacation pay will be four percent (4%) of employee's gross earnings for the previous year or two (2) weeks basic pay, whichever is the greater.

Nine (9) to Fifteen (15) Years Service

Three (3) calendar weeks (fifteen (15) business days). Vacation pay will be six percent (6%) of employee's gross earnings for the previous year or

three (3) weeks basic pay, whichever is the greater.

Sixteen (16) to Twenty-Four (24)

Four (4) calendar weeks (twenty (20) business days). Vacation pay will be eight percent (8%) of employee's gross earnings for the previous year or four (4) weeks basic pay, whichever is the greater.

After the completion of Twenty-Five (25) Years Service

Five (5) calendar weeks (twenty-five (25) business days). Vacation pay will be ten percent (10%) of employee's gross earnings for the previous year or five (5) weeks basic pay, whichever is the greater

For employees eligible for vacation under Section 14:03 with three or more years of service, two percent (2.0%) of the employee's base annual pay (i.e. the value of one week's vacation) has been 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.

14:04 The following Section 14:04 applies only to employees hired or re-hired by the Company on or after September 13, 2003.

(a) Employees with one (1) year but less than two (2) years of service will receive two (2) calendar weeks, ten (10) business days, as time off for vacation. Vacation pay will be four percent (4%) of gross earnings as determined by the employee's

T4 Income Tax slip for previous calendar year or two (2) weeks basic pay, whichever is the greater.

(b)

Completed Anniversary
Years of Service

Vacation with Pay

Two (2) Years Service

Two (2) calendar weeks (ten (10) business days). Vacation pay will be four percent (4%) of employee's gross earnings for the previous year or two (2) weeks basic pay whichever is the greater.

Three (3) to Nine (9)
Years Service

Two (2) calendar weeks (ten (10) business days). Vacation pay will be four (4%) of employee's gross earnings for the previous year or two (2) weeks basic pay, whichever is the greater.

Ten (10) to Seventeen (17)
Years Service

Three (3) calendar weeks (fifteen (15) business days). Vacation pay will be six percent (6%) of employee's gross earnings for the previous year or three (3) weeks basic pay, whichever is the greater.

Eighteen (18) to) Twenty-
Four (24) Years Service

Four (4) calendar weeks (twenty (20) business days). Vacation pay will be eight percent (8%) of employee's gross earnings for the previous year or four (4) weeks basic pay, whichever is the greater.

Completed Anniversary
Years of Service

After completion of
Twenty-Five (25) Years
Service

Vacation with Pay

Five (5) calendar weeks (twenty-five (25) business days). Vacation pay will be ten percent (10%) of employee's gross earnings for the previous year or five (5) weeks basic pay, whichever is the greater.

For employees eligible for vacation under Section 14:04 with three or more years of service, two percent (2.0%) of the employee's base annual pay (i.e. the value of one week's vacation) has been 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.

14:05

(a) Vacations earned may be taken at any time after the completion of the anniversary year date convenient to the fulfillment of the employee's duties, but employees are urged to take vacations in full consecutive weeks in order to derive maximum benefits. In any event, taking vacations in less than two (2) week periods is discouraged. The Company will consider, upon written request of an employee, the carry-over of some of the vacation entitlement to the following year.

(b) Any employee taking vacation in increments of less than four (4) consecutive days will be paid at their regular rate of pay in lieu of the percentage calculations referred to in sections 14:03, 14:04, and 14:09 for such vacation days.

14:06 The Company will post the employees' annual vacation entitlement by January 1st of each year. Provided the employee submits a vacation request in writing, senior employees, in keeping with the efficient operation of the Company, shall be granted preference as to vacation dates up to March 15th of each

year. Management shall post the approved vacation schedule by March 31st of each year.

14:07 When a paid holiday falls within an employee's vacation period, the employee will receive, at the discretion of the Supervisor of his/her Department, an additional day's vacation or an additional day's vacation pay. This will be determined prior to the employee taking his/her vacation.

14:08 If an employee, within his/her vacation period, is admitted to a hospital as an "in" patient then the employee can re-schedule his/her vacation for that day and for the remaining days of hospitalization that coincide with the originally scheduled vacation days. Such an employee will be entitled to the provisions of Article 24, Employee Benefits, Sections 24:05, 24:17, and 24:18 as applicable, in accordance with the provisions contained therein.

14:09 The Company also agrees that an employee who has two (2) or more years of service may take vacation earned prior to his/her anniversary date if he/she so wishes. Under such circumstances, such an employee would be entitled to take any additional vacation which he may be entitled to after the completion of his/her anniversary date.

14:10 The following section 14:10 applies only to employees employed by the Company on September 12, 2003.

Employees who are laid off due to lack of work will have their vacation entitlement pay pro-rated on the following basis:

(a) An employee will be credited with one-half ($\frac{1}{2}$) a month's service if he is employed for eight (8) to fifteen (15) calendar days inclusive in a calendar month. An employee will be credited with one (1) month's service if he is employed in excess of fifteen (15) calendar days in a calendar month.

(b)

Completed Anniversary
Years of Service

Vacation with Pay

One (1) Year to Two (2)
Years Service

Vacation pay will be the greater of four percent (4%) of the employee's gross earnings for the previous year or one (1) month of employment in the previous calendar year to a maximum of ten (10) calendar days.

Three (3) Years to Eight
(8) Years Service

Vacation pay will be the greater of four percent (4%) of the employee's gross earnings for the previous year or one (1) day's basic pay earned for each month of employment in the previous calendar year to a maximum of ten (10) days.

Nine (9) to Fifteen (15)
Years Service

Vacation pay will be the greater of six percent (6%) of the employee's gross earnings for the previous year or one and one-half (1½) days' basic pay earned for each month of employment in the previous calendar year to a maximum of fifteen (15) days.

Completed Anniversary
Years of Service

Vacation with Pay

Sixteen (16) to Twenty-Four (24) Years Service

Vacation pay will be the greater of eight percent (8%) of the employee's gross earnings for the previous year or two (2) days' basic pay earned for each month of employment in the previous calendar year to a maximum of twenty (20) days.

Twenty-Five (25) Years Service

Vacation pay will be the greater of ten percent (10%) of the employee's gross or more earnings for the previous year or two and one-half (2 ½) days basic pay earned for each month of employment in the previous calendar year to a maximum of twenty-five (25) days.

For employees with three or more year's service, the vacation entitlement, the percentage and the number of day's basic pay, will be adjusted to reflect any additional vacation days purchased with flex credits.

14:11 The following section 14:11 applies only to employees hired or re-hired by the Company on or after September 13, 2003.

Employees who are laid off due to lack of work will have their vacation entitlement pay pro-rated on the following basis:

(a) An employee will be credited with one-half (1/2) a month's service if he/she is employed for eight (8) to fifteen (15)

calendar days inclusive in a calendar month. An employee will be credited with one (1) month's service if he/she is employed in excess of fifteen (15) calendar days in a calendar month.

(b)

Completed Anniversary
Years of Service

Vacation with Pay

One (1) Year to Two (2) Years
Service

Vacation pay will be the greater of four percent (4%) of the employee's gross earnings for the previous year or one (1) days basic pay earned for each month of employment in the previous calendar year to a maximum of ten (10) days.

Three (3) to Nine (9) Years
Service

Vacation pay will be the greater of four percent (4%) of the employee's gross earnings for the previous year or one (1) days basic pay earned for each month of employment in the previous calendar year to a maximum of ten (10) days.

Ten (10) to Seventeen (17)
Years Service

Vacation pay will be the greater of six percent (6%) of the employee's gross earnings for the previous year or one and one-half (1 ½) days basic pay earned for each month of employment in the previous calendar year to a maximum of fifteen (15) days.

**Completed Anniversary
Years of Service**

Vacation with Pay

Eighteen (18) to Twenty-Four (24) Years Service

Vacation pay will be the greater of eight percent (8%) of the employee's gross earnings for the previous year or two (2) days basic pay earned for each month of employment in the previous calendar year to a maximum of twenty (20) days.

Twenty-Five (25) Years Service or more

Vacation pay will be the greater of ten percent (10%) of the employee's gross earnings for the previous year or two and one-half (2 ½) days basic pay earned for each month of employment in the previous calendar year to a maximum of twenty-five (25) days.

For employees with three or more year's service, the vacation entitlement (the percentage and the number of day's basic pay) will be adjusted to reflect any additional vacation days purchased with flex credits.

14:12 The following section 14:12 applies only to seasonal employees employed by the Company on September 12, 2003.

Seasonal employees who are subject to the regular annual layoff due to lack of work will receive the following appropriate percentage of their gross pay in every pay cheque in lieu of the provisions of Section 14:03:

<u>Completed Anniversary Years</u>	<u>Percentage</u>
Up to but not including 3 years	4%
3 years up to but not including 9 years	4%
9 years up to but not including 16 years	6%
16 years up to but not including 25 years	8%
25 years service or more	10%

For employees with three or more year's service, 2% vacation pay has also been added to the flex credit formula.

14:13 The following section 14:13 applies only to seasonal employees hired or re-hired by the Company on or after September 13, 2003.

Seasonal employees who are subject to the regular annual lay-off due to lack of work will receive the following appropriate percentage of their gross pay in every pay cheque in lieu of the provisions of section 14:04:

<u>Completed Anniversary Years</u>	<u>Vacation with Pay</u>
Up to but not including 3 years	4%
3 years up to but not including 10 years	4%
10 years up to but not including 18 years	6%
18 years up to but not including 25 years	8%
25 years service or more	10%

For employees with three or more year's service, 2% vacation pay has also been added to the flex credit formula.

14:14 An employee on disability will continue to accrue vacation for only the first twelve (12) months of such disability.

14.15 Any employee taking vacation in increments of less than four (4) consecutive days will be paid at their regular rate of pay in lieu of the percentage calculations referred to in Sections 14.03, 14:04, 14:10, or 14:11 for such vacation days.

ARTICLE 15

LEAVE OF ABSENCE

15:01 General Leave

The Company agrees that any employee may apply in writing for a leave of absence, without pay, or without loss of seniority or benefits, to attend to serious illness in an employee's immediate family or personal reason. The Company may grant the leave providing it is satisfied that the circumstances justify such leave and that the efficiency of the operation is not affected.

15:02 Union Leave

Upon receiving a written request at least one (1) week in advance from the Union, the Company will grant leave of absence for not more than two (2) employees at any one time to attend Union conferences, conventions, or workshops, providing that the combined leaves of absence will not exceed one (1) month in any one (1) calendar year. Such leaves of absence will be without pay but with maintenance and accumulation of benefits (normal payroll deductions to apply).

15:03 Bereavement Leave

The Company agrees to allow an employee three (3) working days, without loss of pay, in the event of a death in the individual's immediate family (immediate family is defined to include father, mother, father-in-law, mother-in-law, brother, sister, brother-in-law, sister-in-law, spouse, grandparents, grandparents-in-law, children, and grandchildren). The Company will consider extending the leave of absence without pay, providing there is prior notification to Management.

15:04 Jury or Witness Duty

Employees called to jury duty or subpoenaed for witness duty shall absent themselves from their work only to such extent as to allow them to carry out such duties. Employees on jury or witness duty shall be paid the difference, if any, between jury or witness pay and their regular basic pay from the Company, subject to the following provisions:

- (a) The employee must notify his/her supervisor as soon as possible after receipt of notice of his/her selection for jury or witness duty.
- (b) An employee who is selected for jury or witness duty but is temporarily excused from court must report for work until such time as he/she is actually involved in jury or witness duty.
- (c) Employees must furnish a written statement from the appropriate public official, showing the date, time served and the amount of pay received to be eligible for payment.

15:05 Pregnancy and Parental Leave

The Company will abide by the provisions of the Employment Standards Act, Ontario.

ARTICLE 16

MEAL PERIOD

16:01 The Company agrees to allow each employee engaged in shift work a thirty (30) minute lunch period during their regular shift at a time designated by his/her Supervisor, but not later than five (5) hours after the shift commences.

16:02 Meal Allowance

Employees required to work two (2) hours beyond seven and one-half (7½) hours in a day shall be given a meal allowance of up to seven dollars (\$7.00). A similar allowance shall be granted for each additional four (4) hours worked. Receipts are to be submitted and compensation will be paid upon presentation of receipt. The above does not apply to employees on call-out or standby.

ARTICLE 17

STANDBY

17:01 Standby

Where employees have been instructed to standby at their homes, they shall be paid standby in the amount of thirty-six dollars (\$36.00), for any period up to and including twenty-four

(24) hours for each and every day of standby, excluding standby on recognized holidays (as per Article 12). For employees instructed to standby on a recognized holiday, they shall be paid standby in the amount of seventy-four dollars (\$74.00), for any period up to and including twenty-four (24) hours. An employee is entitled to standby pay as herein provided whether any service calls are made or not. In addition, payment will be made for any time spent on service calls during a period when an employee is on standby at the applicable hourly rate as provided in Article 13.

17:02 It is recognized that some customer complaints can be resolved by having the employee on standby contact the customer by telephone and, in such cases, the employee will be paid one-quarter ($\frac{1}{4}$) hour's pay at the employee's straight time hourly rate per customer complaint.

17:03 Rotation of Standby Period

All applicable employees when considered by the Company to be sufficiently experienced and skilled shall take their turn/week on standby duties in rotation, except where vacation, leave of absence, sickness, injury or an emergency prevent such an employee from working. Under such circumstances, the next employee in line of rotation shall take over the standby period in question. All employees on standby will be paid for all hours worked, required to resolve customer complaints not corrected by 17:02, at the applicable overtime rate as provided for in Article 13 of this Collective Agreement.

ARTICLE 18

LAYOFF NOTICE

18:01

(a) An employee who has more than three (3) months service with the Company but less than one (1) year of service shall be given one (1) weeks notice in advance of pending layoff or one (1) week's basic pay in lieu of notice.

(b) Employees with one (1) year or more service with the Company who are to be laid off due to lack of work shall be given two (2) weeks notice in advance or two (2) weeks' basic pay in lieu of notice.

(c) Employees with five (5) years or more of service with the Company who are to be laid off due to lack of work shall be given four (4) weeks notice in advance or four (4) weeks' basic pay in lieu of such notice.

(d) Employees with eight (8) years or more of service with the Company who are to be laid off due to lack of work shall be given eight (8) weeks notice in advance or eight (8) weeks' basic pay in lieu of notice.

(e) If in the opinion of the Company circumstances permit, the Company will endeavour to give a reasonable notice of layoff to employees other than the employees in (a), (b), (c) and (d) of this Article.

(f) Governmental requirements or this Article shall govern whichever is the greater benefit to the employee.

(g) The Company will issue the "Employment and Immigration Canada Record of Employment" form to a laid off employee within five (5) calendar days of the date of lay-off.

ARTICLE 19

LAYOFF AND RECALL AFTER LAYOFF

19:01 Except as provided for in Article 8 of this Collective Agreement, the Company and Union recognize that qualification and seniority are the factors in job opportunities and security. It is agreed, therefore, that employees with the least seniority shall be laid off first when a reduction of the available work requires such action providing there are sufficient, qualified employees to do the remaining work. Such laid off employees will be recalled in order of seniority rating providing such employees are qualified to do the work.

19:02 All employees who are notified of a layoff shall have bumping rights in accordance with their seniority and qualifications in their home base geographical area before exercising their bumping rights into other geographical areas as set out in Article 1 - Union Recognition.

It is understood that all costs including accommodation and moving expenses incurred by such employee shall be entirely at their own expense.

19:03 Employees who exercise bumping rights into another job category or geographic area shall have first opportunity to return to their regular job category in their home base area, when work becomes available, before other employees are recalled or hired.

ARTICLE 20

STRIKES OR LOCKOUTS

20:01 Neither the Union, nor any member, nor any employee shall take part in or call or encourage a strike or any other collective action to interfere with operations during the term of this Agreement, nor shall the Company engage in any lockouts.

ARTICLE 21

BULLETIN BOARDS

21:01 The Company will maintain two (2) bulletin boards for the posting of Union notices. Union notices to be posted must be signed by a Local Union Officer and cleared by the Company's Operation Supervisor, or his delegate, prior to posting of such notices.

ARTICLE 22

JOB POSTING

22:01

(a) The Company shall post information concerning job vacancies, involving job categories which fall within the scope of the Collective Agreement (except for the category of Labourer). Any applicant who has established seniority shall have the right to apply and such application will be acknowledged (with date) by the immediate supervisor. Applications shall be made in writing to the applicant's immediate supervisor within eight (8) calendar

days from the date of the posting of the vacancy. The Company will post and notify the successful applicant (if any) within seven (7) calendar days after removal of the posting.

(b) The following factors of the applicant(s) shall be considered by the Company:

- 1) Ability, knowledge, experience and skill to meet the normal requirement(s) of the job;
- 2) Seniority.

(c) In the case of one applicant who has the ability to meet the normal requirement(s) of the job, he/she shall be chosen to take a sixty (60) working day trial period.

When two (2) or more employees apply, their seniority shall govern providing they meet the normal requirements of the job and then the most senior employee shall be chosen to take a sixty (60) working day trial period.

(d) If an employee on this trial period, in the Company's opinion cannot perform the duties of the new position, he/she shall revert back to his/her former position. In cases of a regular job posting (i.e. excluding job postings for temporary vacancies), if the employee so desires within this sixty (60) working day trial period he/she may choose to revert back to his/her former position. If the employee reverts back to his/her former position, the process in (c) preceding, will be continued for the remaining applicants.

(e) If no applicant meets the normal requirement(s) of the job the Company may fill the vacancy by transferring an employee from some other area of the Company not covered within the scope of this Agreement or by hiring a new employee.

(f) The successful applicant of a job posting for a higher rated job classification will be paid the new rate of pay after sixty (60) calendar days from the date of notification that he/she is the successful applicant, if he/she has not been transferred to the new job. Job progression shall not commence until transferred to the new job. In the event that the job posting is cancelled, the wage rate will revert to the former wage as of the date of notification to the Union.

(g) The successful applicant of a job posting for a lower rated job classification will be paid the lower wage effective the date the applicant is transferred to the new job.

22:02 Temporary Vacancies not exceeding forty-five (45) calendar days and vacation vacancies may be filled by the Company without posting by assigning qualified employees by seniority. For vacancies exceeding forty-five (45) calendar days, or when it is known that a vacancy will extend beyond forty-five (45) calendar days, the Company will post and fill such vacancy in accordance with the provisions of this Article.

22:03 Moving Expenses

It is understood that all costs including accommodation and moving expenses incurred by an employee in his/her efforts to fill a vacancy or upon a recall after layoff shall be entirely at his/her own expense. Job postings involving vacancies shall clearly outline the requirements of this subsection. Despite the foregoing, when an employee transferred at the expressed written request by the Company from one town or city to another within the geographical scope of this Agreement, the Company shall pay the moving of furniture and traveling expenses for an employee and his/her family.

22:04 New or Changes in Classification

The parties agree to a job evaluation process for the purpose of determining the relative levels of jobs covered by this

Collective Agreement. The structure and operation of this job evaluation process is contained in the "USW Job Evaluation Process" document which is considered to be part of this Collective Agreement. The parties agree that the core contents of the "USW Job Evaluation Process" are subject to agreement between the parties and may be revised from time to time as necessary.

22:05

(a) Transfer of an Employee to Another Classification

Should it become necessary for the Company to transfer an employee from one job category to a different job category for any reason involving a layoff or cut-back in the work force or because of physical disability, the employee shall receive the wage rate for the position he/she was transferred to, providing such a transfer exceeds thirty (30) calendar days.

(b) In the event of a technological change which could result in a transfer to another position the employee shall receive his/her regular wage rate or the category he/she was transferred to whichever is the greater.

ARTICLE 23

INCENTIVE PLAN

23:01 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% Spectra 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 calendar year, 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 calendar year.

- Spectra 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 calendar year, 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 calendar year.

The District / Department and Spectra 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.

ARTICLE 24

EMPLOYEE BENEFITS

24:01 The Company agrees to provide the "Choices" Flexible Benefit Program as described in the Company booklets, benefit plan documents and policies of insurance for all regular employees of the Bargaining Unit. 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:

The flex credit formula for regular full-time employees will be 1.75% of base straight-time annual wages plus \$969.00. 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 \$969.00.

Effective for enrolment periods of benefit coverage during the term of the collective agreement the benefit price tags will be adjusted to reflect an 85% employer and 15% employee cost sharing percentage from the prior year’s cost.

24:02 Pension

Effective July 1, 2004, the Company agrees to provide the “Pension Choices” Plan as described in the Company

booklets, and pension benefit plan documents for all employees of all Bargaining Units who are not currently participating in the Plan. 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.

24:03 Weekly Indemnity

The Company agrees to provide a Weekly Indemnity benefit as described in Company booklets, 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 shall be made available for inspection by the Union. The Company will bear 100% of the premium cost of Weekly Indemnity benefit.

24:04 Sick Pay

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 basis -

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.....	6 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 weeks
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

24:05 Continuation of Employee Benefits

a) For an employee on lay-off the Company will provide and pay the premiums that are due in the six (6) calendar month period following the month of layoff for all the Employee Benefits as outlined in Article 24 excluding Weekly Indemnity, Sick Pay, and Long Term Disability Benefits and Accidental Death and Dismemberment.

b) For an employee in receipt of Weekly Indemnity and/or Sick Pay benefits the Company will provide and pay the premiums for the Employee Benefits as outlined in Article 24.

c) For an employee in receipt of either Long Term Disability or Workplace Safety Insurance Board benefits, or both, the Company will provide and pay the premiums for the Employee Benefits (excluding Accidental Death and Dismemberment) as outlined in Article 24.

24:06 Employee Savings Plan

All Union Gas employees who are members of the Bargaining Unit shall be entitled to participate in the Employee Savings Plan and the employees' participation shall be governed by the rules and regulations of the Plan, effective January 1, 2004.

24:07 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 May 31, 2003. 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 25

PENSION

This Article 25, "Pension", will be in effect until June 30, 2004 at which time it will be replaced by the provisions of Article 24:02 which becomes effective July 1, 2004.

25:01 The Northern and Central Gas Corporation Limited Pension Plan - Group 2 as it applies to members of the Bargaining Unit shall be taken as paid up on the effective date March 1, 1973 and that service with the Company after March 1, 1973 as specified in the Union Gas Pension Plan - Group One shall be counted for the purpose of vesting under the Group 2 Plan.

25:02 It is understood and agreed that the revised non-contributory plan to be known as the Union Gas Pension Plan - Group One as agreed between the parties in the signed Memorandum of Agreement, November 1, 1972 and as revised on November 24, 1975; November 14, 1977; May 31, 1979; November 19, 1980; December 15, 1982; November 8, 1984; November 4, 1986; July 26, 1989; July 15, 1991; June 2, 1994; June 14, 1996; May 13, 1998; and July 6, 2000 will be continued to provide benefits for members of the Bargaining Unit in respect to service after March 1, 1973.

ARTICLE 26

EMPLOYEE TRAINING AND DEVELOPMENT

26:01 Development

The Company is interested and will encourage employees who have established seniority to further develop their basic education and gas industrial skills. Conditional upon written management approval obtained before the course commencement and upon receipt of written proof of successful completion, the Company shall reimburse the cost of tuition fees for such approved courses up to a maximum of five hundred dollars (\$500.00).

26:02 Training

On-the-job training by the Company with the employees concerned shall be pursued by the Company as vigorously as possible in order to increase the knowledge and skill of the employees in their various job categories.

26:03 The Company recognizes the desirability of helping employees who may, when the opportunity arises, wish to change to a different position and for those employees who have indicated in writing to their Supervisor that they would wish to involve themselves in training which may be conducted but may not necessarily involve their existing job duties, the Company will consider including them in such training programs at times which will not interfere with the carrying out of their job duties. If an employee wishes to be involved in training sessions, which are being conducted after the completion of their working hours, no compensation by the Company would be paid as it would necessarily be on a voluntary basis by the employee concerned. Compulsory training after normal working hours will be paid by the Company.

26:04 Technological Change

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 (1) 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 changes.

In the event of a technological change, which results in an employee being transferred to another position, the employee shall be classified in the new position according to his/her qualifications and experience. If such transfer results in a lower rate of pay than the employee received in the previous position, the employee's rate of pay will be maintained for a period not to exceed twelve (12) months.

At the end of the twelve (12) month, or less period, the employee's rate of pay will be adjusted to the appropriate step in the job classification.

ARTICLE 27

INCLEMENT WEATHER

27:01 Construction and Maintenance employees who are notified to report for a seven and one-half (7 1/2) hour scheduled shift (including Saturday and/or Sunday) and who in fact do report and such employees are affected by on-site management's decision not to commence such scheduled work or to cease same already started because of weather conditions, the Company will:

(a) On a regular week day compensate up to four (4) hours lost time at the employee's regular basic hourly rate in addition to any monies payable for actual work performed;

"OR"

(b) On a Saturday or Sunday compensate up to four (4) hours lost time at the regular basic hourly rate in addition to any monies payable for employee's actual work performed;

"OR"

(c) Utilize the lost time of the aforementioned employee's scheduled work for all of the involved employees for training sessions;

"OR"

(d) utilize the lost time of the aforementioned employee's scheduled work to perform other work not seriously affected by the weather conditions for all of the employees involved;

"OR"

(e) utilize the lost time of the aforementioned employee's scheduled work on any combination of (a), (b) or (c) of this Article.

27:02 Management's decision to commence or to carry on work during inclement weather will be discussed with the on-the-job Steward.

27:03 Management will assign the remaining work as anticipated in Section 26:01 to qualified employees by seniority.

ARTICLE 28

WAGE RATES, JOB CLASSIFICATIONS AND PROGRESSIONS

28:01 Attached hereto and forming part of this Collective Agreement is Appendix "A" "Progressions" and Appendix "B" "Job Classification and Wage Rates".

28:02 No employee shall suffer a wage decrease as a result of this Agreement and nothing in this Agreement shall be construed as to prevent the payment of wage above the Union rates established.

28:03 Wage Rate Adjustments – Wage rate adjustments and general wage rate increase will be effective October 5, 2003, May 30, 2004, and May 29, 2005 per Appendix "B" of this Collective Agreement.

ARTICLE 29

COST OF LIVING ALLOWANCE

The following Article 29 on the Cost of Living Allowance is suspended for the duration of the Collective Agreement and will not provide or accumulate any monetary payment during said term.

Effective January 1977, and continuing until the termination of this Agreement, the Company will pay a cost of living allowance (C.O.L.A.) premium to employees who have established seniority within the Bargaining Unit.

29:01 The Consumer Price Index as published by Statistics Canada with 1961 = 100 shall constitute the controlling index numbers for all calculations of the C.O.L.A. premium.

29:02 During the period of this Agreement, if Statistics Canada revises the base year 1961 = 100, the Company and the Union will meet and determine a conversion factor which would equitably adjust the present base to an amended base or request Statistics Canada to provide an appropriate conversion factor. In this event, the amended base will replace the base index as described in 29:01.

29:03 The base index figure will be the September 1976 Consumer Price Index. The index for December 1976, and each subsequent calendar quarter to the termination of this Agreement will have subtracted from it the base, to yield the quarterly differential.

29:04 The C.O.L.A. premium will be paid based on all hours worked commencing with the pay period immediately following the publication of the December 1976 Consumer Price Index. The monetary amount of the premium shall not form part of an employee's applicable hourly rate nor will it exceed forty-five cents (45¢) per hour.

29:05 The C.O.L.A. premium calculation will be formulated such that one cent (\$0.01) will be paid for each full zero point four (0.4) points of quarterly index differential obtained in Section 29:03. No adjustment, retroactive or otherwise, shall be made to the value of the premium due to any revision which may be made at a date subsequent to the publication of the Consumer Price Index of Statistics Canada.

29:06 No premium shall be paid for a quarter in which the average quarterly index is equal to or less than the base index number stated in Section 29:03. Continuance of the premium is

dependent upon the availability of the Consumer Price Index as published by Statistics Canada.

ARTICLE 30

COPIES OF COLLECTIVE AGREEMENT

30:01 The Company will supply copies of the Collective Agreement to each employee covered by the Agreement. The copies will be in booklet form and the Company will pay the cost of the supply and duplication. Additional copies will be available to the local Union Representative upon request.

ARTICLE 31

SEXUAL HARASSMENT

31:01 The Company and the Union agree that there shall be a working environment which is free from sexual harassment.

31:02 Any employee may report a complaint to a joint committee which shall consist of one (1) Company representative and one (1) Union representative. The complaint shall be investigated in a confidential manner and the finding with recommendations for a satisfactory resolution shall be submitted to the affected employee. All information of the committee respecting the complaint, investigation, report, or other pertinent information shall be confidential. Nothing shall prevent an employee from pursuing his or her complaint through the available legal procedures or government procedure.

ARTICLE 32

TERM OF AGREEMENT

32:01 This Collective Agreement shall remain in full force and effect for a term of thirty-six (36) months and be binding upon the parties from the first (1st) day of June, 2009 until the thirty-first (31st) day of May, 2012 inclusive and thereafter from year to year unless either party gives notice in writing to the other party within the ninety (90) day period immediately prior to the thirty-first (31st) day of May, 2012 of its desire to revise, amend or terminate this Collective Agreement.

32:02 Negotiation of revisions and/or amendments will, as a result of such written notice, commence prior to the fifteenth (15th) day of March, 2012. Where said negotiations have commenced this Collective Agreement shall continue in effect after the thirty-first (31st) day of May, 2012 until such time as a new Collective Agreement has been reached or until the Department of Labour's Conciliation Procedures, as required by legislation, have been exhausted, whichever is the sooner.

32:03 If either party desires to make amendments to the present Agreement, written notice to that effect indicating the desired changes must be given to the other party at least sixty (60) days before the expiration of the Contract, such proposed changes shall be subject to negotiations and agreement or conciliation, it being understood that the resulting amendments, if any, shall be retroactive to the date of termination of the existing Agreement.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed by their respective duly authorized officers. Executed in Sudbury, Ontario, this 21st day of May, 2009.

**FOR THE COMPANY
UNION GAS LIMITED**

**FOR THE UNION
UNITED STEELWORKERS
LOCAL 7846**

Rob Cadieux

Manager, Labour & Employee Relations

Gerry Loranger

Staff Representative, United Steelworkers

Doug French

District Manager, Northeast

Randy McBride

President, USW Local 7846

Wes Armstrong

Manager, Operations Support & Admin

Gary Walls

USW Local 7846 Operations

John McReynolds

Manager, Labour Relations

Bernie Huisman

Manager, Billing Support

MEMORANDUM OF AGREEMENT
between
UNION GAS LIMITED
and
THE UNITED STEELWORKERS
LOCALS 2020 and 7846

The provisions of this Memorandum of Agreement will be in effect until June 30, 2004 at which time it will be replaced by the provisions of Article 24:02 which becomes effective July 1, 2004.

It is agreed between Union Gas Limited and United Steelworkers, Locals 2020 and 7846 that effective January 1st, 1973 or approximately one (1) month after signing of the Collective Agreement whichever is later the Company Pension Plan for members of the Bargaining Units will be amended as follows:

1. That the present Northern and Central Gas Corporation Limited Pension Plan - Group 2 as it applies to members of the Bargaining Units shall be taken as paid up on the effective date as specified above and that service with the Company after the effective date as specified in the Union Gas Pension Plan - Group One shall be counted for the purpose of vesting under the Group 2 Plan.
2. That a revised non-contributory plan to be known as the Union Gas Pension Plan - Group One be established to provide benefits for members of the Bargaining Units in respect of service after the effective date:

- (a) A member's normal retirement date will be the last day of the month following attainment of age 65. The plan will permit early retirement of a member after age 55 with accrued pension subject to a reduction of one-quarter (1/4) of one percent (1%) for each month by which the early retirement date precedes age sixty-two (62). A member may also, with the consent of the Company, postpone his/her retirement beyond age sixty-five (65) but not beyond age seventy (70) with pension accrued to normal retirement subject to an actuarial increase.
- (b) Benefits shall accrue on the basis of credited service after the effective date based on hours paid (without adjustment for premium rates) on the following schedule:

Hours Paid	Service Credit (Yrs.)
Less than 160 hours	0
160 but less than 320	1/10
320 but less than 480	2/10
480 but less than 640	3/10
640 but less than 800	4/10
800 but less than 960	5/10
960 but less than 1120	6/10
1120 but less than 1280	7/10
1280 but less than 1440	8/10
1440 but less than 1600	9/10
1600 or more	1

- (c) Absence of a member due to disability during which benefits are paid under the Company's Sickness and Accident and Long Term Disability Insurance Plan shall be counted as service on the basis of such member's normal work week and benefits shall be determined on the basis in force on the date the member became disabled.

- (d) Periods of absence of member authorized by the Company for Union duty or other leave covered by the Bargaining Agreement shall be counted for the purpose of calculating benefits on the basis of such member's normal basic work week.
- (e) Periods of absence authorized by the Company but not covered by the Bargaining Agreement shall not constitute termination of employment and shall be counted for purpose of vesting only.
- (f) Vesting of benefits shall be based on the following schedule:

Service Credits for Vesting	Vesting Percentage
less than 2 years	0
2 or more years	100%

Service credits for vesting shall be service according to an approved seniority list as of the effective date, plus service in accordance with items (b), (c), (d) and (e) after that date.

- (g) **Survivor Pension:** The normal form of Pension for members with a spouse is Joint and Survivor. The surviving spouse of an employee who dies after becoming eligible for any form of Pension Benefit under this plan, (whether he/she is retired or still employed by the Company), shall receive a monthly pension for life equal to sixty percent (60%) of the pension which the deceased employee was receiving, or was entitled to receive, at the time of death.

- (h) At retirement the normal form of Pension for members without a spouse will be life only, guaranteeing the return of the employee's required contributions (with interest) to normal retirement date. The Plan will permit the election by members of an optional form of pension of equivalent actuarial value.
- (i) The Union Gas Pension Plan - Group One shall contain provisions for members optional contributions.
- (j) The monthly pension benefit for members who retire after January 1, 1988, payable under the Union Gas Pension Plan - Group One shall be twenty-five dollars (\$25.00) multiplied by years (and fractions of a year) of service after March 1, 1973. For employees retiring after June 1, 1992 the twenty-five dollars (\$25.00) will increase to twenty-seven dollars (\$27.00). For employees retiring after February 1, 1993 the twenty-seven dollars (\$27.00) will increase to thirty dollars (\$30.00). For employees retiring after February 1, 1994 the thirty dollars (\$30.00) will increase to thirty-three dollars (\$33.00). For employees retiring after February 1, 1995 the thirty-three dollars (\$33.00) will increase to thirty-four dollars and twenty-five cents (\$34.25). For employees retiring after February 1, 1996 the thirty-four dollars and twenty-five cents (\$34.25) will increase to thirty-five dollars and fifty cents (\$35.50). For employees retiring after January 1, 1997 the thirty-five dollars and fifty cents (\$35.50) will increase to thirty-seven dollars and fifty cents (\$37.50). For employees retiring after January 1, 1998 the thirty-seven dollars and fifty cents (\$37.50) will increase to thirty-nine dollars and fifty cents (\$39.50). For employees retiring after January 1, 1999, the thirty-nine dollars and fifty cents (\$39.50) will increase to forty-one dollars and fifty cents (\$41.50). For employees retiring after January 1,

2000, the forty-one dollars and fifty cents (\$41.50) will increase to forty-three dollars and fifty cents (\$43.50). For employees retiring after January 1, 2001, the pension benefit will increase to forty-five dollars and fifty cents (\$45.50). For employees retiring after January 1, 2002, the pension benefit will increase to forty-seven dollars and fifty cents (\$47.50). For employees retiring after January 1, 2003, the pension benefit will increase to forty-nine dollars and fifty cents (\$49.50).

3. That the Plan as agreed shall be formalized into a separate Pension Agreement to be referred to formally in the Collective Agreement and remain in full force and effect as agreed for the term of the Bargaining Agreement with automatic renewal on unchanged terms until agreed between the parties in future collective bargaining.
4. When an employee retires at age fifty-five (55) or more, the Company will continue the current amount of life insurance as stipulated in Article 24:03. This amount will be reduced by twenty-five percent (25%) every twelve (12) months until it reaches a minimum of fifteen hundred dollars (\$1,500.00).
5. The Union will be advised of changes to the current pensioners' flat benefit amounts.

APPENDIX “A” PROGRESSIONS

IT IS UNDERSTOOD AND AGREED:

THAT if an Employee can in all respects meet the requirements of the Company (including any applicable examinations) and the requirements of the Energy and Safety Branch of Ontario, such employee shall progress as follows:

1. UTILITY SERVICE REPRESENTATIVE	<u>FROM</u>	<u>TO</u>
<i>After service of:</i>		
Sixty (60) calendar days	Probationary C3	C2
Six (6) months in	C2	C1
<i>After examination and service of:</i>		
Six (6) months in	C1	B4
<i>After service of:</i>		
Six (6) months in	B4	B3
<i>After examination and service of:</i>		
Six (6) months in	B3	B2
<i>After service of:</i>		
Six (6) months in	B2	B1
Six (6) months in	B1	A3
Six (6) months in	A3	A2
Six (6) months in	A2	A1

An employee in the A2 or A1 classification will complete an assessment to ensure the employee has the knowledge and skills required for the job.

Any time spent in Probation will be credited to the C2 progression time requirement.

Employees who have completed the probationary period will be assigned no lower than Classification C2.

APPENDIX “A” PROGRESSIONS

2. WELDER - PIPELINE	<u>FROM</u>	<u>TO</u>
<i>After service of:</i>		
Twelve (12) months in	A3	A2
Twelve (12) months in	A2	A1
3. C&M EQUIPMENT OPERATOR	<u>FROM</u>	<u>TO</u>
<i>After service of:</i>		
Sixty (60) calendar days	Probation C1	B3
Five (5) months in	B3	B2
Five (5) months in	B2	B1
<i>After examination and service of:</i>		
Six (6) months in	B1	A3
<i>After Service of:</i>		
Six (6) months in	A3	A2
Six (6) months in	A2	A1
4. C&M UTILITY PERSON	<u>FROM</u>	<u>TO</u>
<i>After examination and service of:</i>		
Nine (9) months in	C1	B3
<i>After service of:</i>		
Five (5) months in	B3	B2
Five (5) months in	B2	B1
Entry in A3 will be by Job Posting		
<i>After examination and service of:</i>		
Six (6) months in	A3	A2
<i>After Service of:</i>		
Six (6) months in	A2	A1

**APPENDIX “A”
PROGRESSIONS**

5. LINE LOCATOR	<u>FROM</u>	<u>TO</u>
<i>After service of:</i>		
Sixty (60) calendar days	Probation A4	A3
Ten (10) months in	A3	A2
Twelve (12) months in	A2	A1

6. METER READER	<u>FROM</u>	<u>TO</u>
<i>After service of:</i>		
Sixty (60) calendar days	Probation A4	A3
Ten (10) calendar months in	A3	A2
Twelve (12) months in	A2	A1

8. LABOURER OR HELPER	<u>FROM</u>	<u>TO</u>
<i>After service of:</i>		
Sixty (60) calendar days	Probationary C3	Labourer C2
Nine (9) months as	Labourer C2	C&M Utility Person C1

IT IS FURTHER AGREED:

- a) A Labourer who successfully bids into another job category shall receive the starting rate of the new category or retain his/her present rate, whichever is the greater. The Labourer will, of course, progress in line of progression for the new category.
- b) **Note:** Labourers, while employed on as-built work, will receive thirty cents (30¢) per hour over his/her basic wage rate while so employed.
- c) A C&M Utility Person while assigned as a “Paper Hand” will receive fifty cents (50¢) per hour over his/her basic wage rate while so assigned.
- d) A Welder’s Helper will be required to perform other miscellaneous duties.
- e) Students will not obtain seniority and will be paid the “Summer Student” rate as stipulated in Appendix “B” when performing routine tasks such as painting, general clean-up, vehicle washing, etc. When performing the duties of Labourer, the students will receive the “Probationary” rate of pay. No student will be assigned to any job rated higher than a “Labourer”. Students shall not be hired when regular employees are on layoff.
- f) (i) For employees who have established seniority, the Company agrees during the term of this Collective Agreement to pay for the initial issue and annual renewal of Welder’s, Gas Fitter’s and Pipeline Inspector’s certificates or such multi-energy certificates upon receiving documentation from the employee that he/she has successfully obtained the initial certificate or has been invoiced for the annual renewal.
 - (ii) Employees who fail their qualifying test shall not be retested until a three (3) month period has lapsed from the date of taking the last test. Employees will be given an opportunity to review their test results in the presence of Company Management.

(g) When an employee is assigned to operate a vehicle requiring an "A" or "AZ" classification driver's permit, the employee will receive a premium of forty cents (40¢) per hour. The Company will pay the cost of a medical to a maximum of one hundred dollars (\$100.00) during the term of the Collective Agreement for employees required to hold an "A" or "AZ" class license by the Company.

h) Thirty cents (30¢) per hour will be paid in addition to regular hourly rate to a qualified employee while fusing plastic pipe connections. In any case, the employee shall receive not less than the C & M Utility Person A1 rate. The premium shall not be used when calculating overtime rates, but will simply be added to the extended rate. An employee assigned to perform such plastic fusion will be paid the premium for a minimum of four (4) hours each day.

i) Lunches may be left at the Service Centre by the Construction and Maintenance employees during the months of December, January, February, and March. The Company will deliver these lunches to the job site in time for lunch. Vehicles that will be utilized for eating lunch will be started one-half (1/2) hour prior to the lunch period and left running during this lunch period.

j) Crew Leaders will be appointed for temporary assignment from time to time as needed by the Foreman or other Management. An individual selected as Crew Leader during a Construction Season may be re-appointed in a subsequent Season dependent upon his job performance. The Company agrees that when selecting a Crew Leader, the following two (2) factors shall be considered in determining which employees are to be promoted:

- (a) Seniority
- (b) Ability

When the Company discontinues a Crew Leader in that capacity, he/she shall remain in the classification he/she held prior to such appointment and shall be credited with all time served as a Crew Leader for the purposes of his line of progression in his/her regular classification.

IT IS FURTHER AGREED:

- (1) Such a Crew Leader shall be paid one dollar and fifty cents (\$1.50) per hour above the regular rate but, in any event he/she shall not receive less than the rate of C&M Utility Person A1 plus the premium. When calculating the overtime rate for a Crew Leader, the premium shall not be used when calculating the overtime rate, but will simply be added to the employee's pay rate. Management agrees that a Crew Leader would receive the premium for each hour involved but in any event, it would be not less than the equivalent of four (4) hours of the premium regardless of whether or not he/she worked as a Crew Leader for a lesser period.
 - (2) The Crew Leader would lead a Construction and Maintenance Crew for any time as designated by Management in addition to performing his/her regular duties.
 - (3) Management's decision on the selection or re-appointment of a Crew Leader will be conveyed to the Steward.
- k) Meter Readers shall be maintained at a minimum work force level of one (1) Meter Reader and shall not be reduced during the term of the Collective Agreement. Meter Readers may be required to perform other duties apart from meter reading, as requested.
- l) A Welder when fabricating or installing measuring and/or pressure regulating stations having a pipe size in excess of two

(2) inches shall receive a seventy-five cent (75¢) per hour premium in addition to his/her regular rate.

m) It is agreed that newly hired employees may, by mutual agreement between the parties (providing his/her qualification and experience are of reasonable high order), be placed in the progression as negotiated. Despite the foregoing the probationary period would be required.

n) Town Supervisors – It is understood and agreed that the Town Supervisor in Elliot Lake and Assistant Town Supervisor in Blind River shall have the same latitude in performing work as the Town Supervisor in Sturgeon Falls.

APPENDIX "B"

JOB CLASSIFICATIONS AND WAGE RATES

The following classifications and wage rates apply to the United Steelworkers, Local 7846 Sault Ste. Marie, Ontario, unless otherwise indicated.

JOB CLASSIFICATION	June 7/09	June 6/10	June 5/11
Utility Services Rep			
A1	29.48	30.36	31.27
A2	28.88	29.75	30.64
A3	28.33	29.18	30.06
B1	27.80	28.63	29.49
B2	27.23	28.05	28.89
B3	26.69	27.49	8.31
B4	26.14	26.92	27.73
C1	25.59	26.36	27.15
C2	25.23	25.99	26.77
C3 (Probation)	25.04	25.79	26.56
Welder			
A1	29.48	30.36	31.27
A2	27.34	28.16	29.00
A3	25.79	26.56	27.36
A4 (Probation)	25.04	25.79	26.56

APPENDIX "B"
JOB CLASSIFICATIONS AND WAGE RATES
(continued)

JOB CLASSIFICATION	June 7/09	June 6/10	June 5/11
C & M Equip. Operator			
A1	27.48	28.30	29.15
A2	26.66	27.46	28.28
A3	25.82	26.59	27.39
B1	25.00	25.75	26.52
B2	24.31	25.04	25.79
B3	23.64	24.35	25.08
C1 (Probation)	23.36	24.06	24.78
C & M Utility Person			
A1	26.48	27.27	28.09
A2	25.98	26.76	27.56
A3	25.50	26.27	27.06
B1	25.00	25.75	26.52
B2	24.58	25.32	26.08
B3	24.17	24.90	25.65
C1	23.42	24.12	24.84

APPENDIX “B”
JOB CLASSIFICATIONS AND WAGE RATES
(continued)

JOB CLASSIFICATION	June 7/09	June 6/10	June 5/11
Line Locator			
A1	24.53	25.27	26.03
A2	22.77	23.45	24.15
A3	21.47	22.11	22.77
A4 (Probation)	20.86	21.49	22.13
Meter Reader			
A1	24.53	25.27	26.03
A2	22.77	23.45	24.15
A3	21.47	22.11	22.77
A4 (Probation)	20.86	21.49	22.13
Labourer			
C2	22.67	23.35	24.05
C3 (Probation)	22.50	23.18	23.88
Student	12.33	12.33	12.33

LETTERS OF UNDERSTANDING
UNITED STEELWORKERS - LOCAL 7846

- Letter #1 USW Humanity Fund
- Letter #2 Training Programs
- Letter #3 Current Employees Entering the
Bargaining Unit
- Letter #4 Layoff and Recall
- Letter #5 Winter Overshoes
- Letter #6 Modified Work
- Letter #7 Workplace Accommodation
- Letter #8 WSIB Benefits – Short-Term Pay
Advance
- Letter #9 Alternate Work Schedules for Utility
Service Representatives
- Letter #10 Travel Time for Training
- Letter #11 Temporary Job Vacancies
- Letter #12 “Choices” Benefit Plan

LETTER OF UNDERSTANDING #1

September 13, 2003

Mr. Gerry Loranger,
Staff Representative,
United Steelworkers,
92 Froot Road, 3rd Floor,
Sudbury, Ontario
P3C 4Z4

RE: U.S.W. Humanity Fund

During the 1991 negotiations for renewal of the existing Collective Agreements, the Company agreed to the following for all employees in:

U.S.W. Local 2020 Sudbury and North Bay Offices

U.S.W. Local 2020 Sudbury et al Operations (Sudbury, North Bay,
Haileybury, Sturgeon Falls & Orillia)

U.S.W. Local 7846 Sault Ste. Marie

The Company agrees to deduct from each pay cheque the amount of \$0.01 per hour from the wages of all employees in the bargaining unit for all hours worked and to pay the amount so deducted to the "Humanity Fund", and to forward such payment to the United Steelworkers, National Office, 234 Eglinton Avenue East, Toronto, Ontario M4P 1K7, and to advise in writing both the Humanity Fund at the aforementioned address and the local union that such payment has been made, the amount of such payment and the names of all employees in the bargaining unit on whose behalf such payment has been made.

LETTER OF UNDERSTANDING #1

- 2 -

It is understood and agreed that participation by any employee in the bargaining unit in the program of deductions set forth above may be discontinued by any employee in the bargaining unit after the receipt by the Company and the local union of the employee's written statement of his/her desire to discontinue such deductions from his/her pay.

Terry Tippin
Manager, Labour & Employment Relations

TT/pk

LETTER OF UNDERSTANDING #2

September 13, 2003

Mr. Gerry Loranger,
Staff Representative,
United Steelworkers,
92 Froot Road, 3rd Floor,
Sudbury, Ontario P3C 4Z4

RE: Training Programs

During the course of the 1994 negotiations to renew the Collective Agreements between the Company and the United Steelworkers, Locals 2020 and 7846, the parties discussed the desire of taking a more proactive approach to the issue of employee training and development.

The parties agreed to welcome Union and employee input into training initiatives undertaken by the Company.

Terry Tippin
Manager, Labour & Employment Relations

TT/pk

LETTER OF UNDERSTANDING #3

September 13, 2003

Mr. Gerry Loranger
Staff Representative,
United Steelworkers,
92 Froid Road, 3rd Floor,
Sudbury, Ontario P3C 4Z4

RE: Current Employees Entering the Bargaining Unit

The subject of current employees entering any United Steelworkers Local was discussed at length during the negotiations to renew the collective labour agreements with Locals 7356 and 7846 scheduled to expire May 31, 1991.

The following principles will apply to all such employees:

1. Their original hire date with the Company will be used for determination of length of service for Service Awards.
2. Their original hire date with the Company will be used to calculate their vacation entitlement.
3. Their prior membership in a Company pension plan will be counted for vesting purposes in the pension plan for U.S.W. represented employees.

LETTER OF UNDERSTANDING #3

- 2 -

4. Their seniority date, i.e. date of entry into the U.S.W. covered bargaining unit position will be used for all other matters, such as filling job postings, lay-offs, vacation scheduling.

Terry Tippin
Manager, Labour & Employment Relations

TT/pk

LETTER OF UNDERSTANDING #4

September 13, 2003

Mr. Gerry Loranger,
United Steelworkers,
92 Froot Road, 3rd Floor,
Sudbury, Ontario P3C 4Z4

RE: Layoff and Recall After Layoff - Local 7846 - Sault Ste. Marie and Local 2020- Sudbury, North Bay, Haileybury, Sturgeon Falls, Orillia

During the 1991 negotiations for the renewal of the existing Collective Agreements, the lay-off and recall procedure was discussed.

Concerning the application of the terms of Article 19 - Layoff and Recall after Layoff in the current Collective Agreement, the parties do hereby agree, for the term of the current Collective Agreement, commencing June 1, 1996, that:

1. Each seasonal employee of the bargaining unit notified of layoff in accordance with Article 19, will be reminded in the written notification that they can exercise their seniority within the bargaining unit in accordance with Section 19:02. If they choose to do so, they must notify the company in writing within seven calendar days from receipt of the Company's original notice of layoff.
2. The Supervisor will have the employee sign for receipt of the original notice of layoff and the layoff procedure herein. A record of this signature will be retained.

LETTER OF UNDERSTANDING #4

- 2 -

3. Each employee wishing to exercise their seniority and bump another employee will notify the Company of their intention in writing. Such employee will be notified of the results within seven (7) calendar days.
4. An employee who fails to indicate within the seven (7) calendar days their intention of exercising their seniority and displacing another employee with less service will automatically waive their bumping rights concerning the instant layoff situation.
5. The Company will provide complete seniority lists with names and locations of the employees to be laid off on each bulletin board and to the Supervisor immediately in charge of the affected employees.
6. The Company will send a registered letter regarding the layoff situation enclosing this layoff procedure to those employees who are absent due to sickness or on an approved leave of absence.
7. Before an employee takes his/her vacation, he/she will be advised of the pending layoff, and given a copy of this layoff procedure.

Terry Tippin
Manager, Labour & Employment Relations

TT/pk

LETTER OF UNDERSTANDING #5

September 13, 2003

Mr. Gerry Loranger,
United Steelworkers,
92 Froot Road, 3rd Floor,
Sudbury, Ontario P3C 4Z4

RE: Winter Overshoes

During the 1996 negotiations for renewal of the existing Collective Agreements, the Union proposed changes to allow the replacement as required, due to wear, of winter overshoes.

The parties agreed to leave the existing Collective Agreement language at 11:01 unchanged, however, the Company agreed to replace winter overshoes more frequently than the language provides, subject to prior approval of local supervision.

Terry Tippin
Manager, Labour & Employment Relations

TT/pk

LETTER OF UNDERSTANDING #6

September 13, 2003

Mr. Gerry Loranger,
United Steelworkers,
92 Froid Road, 3rd Floor,
Sudbury, Ontario P3C 4Z4

RE: Modified Work

During the 1998 negotiations the Company and the Union agree that where appropriate, the parties will meet locally to determine what opportunities may be available to allow disabled employees to return to work on a modified basis. The intention of any such work modification will be directed towards the employee resuming his/her regular duties as soon as it is practical to do so.

In case of workplace injury or incident the Company agrees to provide the Union with a copy of the completed Form 7 when submitting same to the Workplace Safety and Insurance Board (WSIB).

Terry Tippin
Manager, Labour & Employment Relations

TT/pk

LETTER OF UNDERSTANDING #7

September 12, 2003

Mr. Gerry Loranger,
Staff Representative,
United Steelworkers,
92 Froot Rd., 3rd Floor,
Sudbury, Ontario P3C 4Z4

RE: Workplace Accommodation

During the negotiations for the renewal of the Collective Agreements that expired May 31, 2003, the Union proposed that the parties meet after the conclusion of negotiations to discuss the matter of workplace accommodation of disabled or injured employees.

The parties have agreed that a committee of three (3) Union and three (3) Management employees will meet within six (6) months of the renewal of the Collective Agreements to discuss this matter. Either party may request the attendance of other necessary persons to attend meetings as required to support the discussion.

Terry Tippin,
Manager, Labour & Employment Relations

TT/pk

LETTER OF UNDERSTANDING #8

September 13, 2003

Mr. Gerry Loranger,
United Steelworkers,
92 Froid Road, 3rd Floor,
Sudbury, Ontario P3C 4Z4

RE: WSIB Benefits –Short-term Pay Advance

During the negotiations for renewal of the Collective Agreements that expired May 31, 2000, the Union indicated that in certain situations an employee may require a short-term pay advance when off work due to a work related injury and waiting for his/her WSIB claim to be processed. In such cases, an employee may request assistance from the Company by contacting the Occupational Health Department, Chatham Corporate. Subject to signing a release guaranteeing repayment, the Company will advance the employee his/her normal net base wages for the period the employee is off work and waiting for the claim to be processed.

Terry Tippin,
Manager, Labour & Employment Relations

TT/pk

LETTER OF UNDERSTANDING #9

September 13, 2003

Mr. Gerry Loranger,
Staff Representative,
United Steelworkers,
92 Froot Road, 3rd Floor,
Sudbury, Ontario P3C 4Z4

RE: Alternate Work Schedules for Utility Services Representatives

During the negotiations for the renewal of the existing Collective Agreements that expired May 31, 2000, the Union and the Company discussed alternate work schedules for Utility Services Representatives as a means to meet customer and business operating requirements and to provide employees with flexibility to meet their personal needs.

In this regard the Union and the Company have agreed to the following:

- (i) Alternate work schedules can be jointly developed and agreed to by local union and management representatives.
- (ii) 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).

LETTER OF UNDERSTANDING #9

- 2 -

(iii) For alternate work schedules, the shift premiums contained in the Collective Agreements will only apply to all hours worked on a regularly scheduled alternate shift that ends after 6:00 p.m. (i.e. a shift other than those specified in the Collective Agreement).

Terry Tippin,
Manager, Labour & Employment Relations

TT/pk

LETTER OF UNDERSTANDING #10

September 12, 2003

Gerry Loranger,
Staff Representative,
United Steelworkers,
92 Froot Road, 3rd Floor,
Sudbury, Ontario P3C 4Z4

RE: Travel Time for Training

During the 2003 negotiations for renewal of the Collective Agreements that expired May 31, 2003, it was agreed by the parties that employees would be paid for travel time to attend training sessions on the following basis.

For travel to training in Chatham, outside of an employee's regularly scheduled working hours, employees will be paid as follows:

- Sault Ste. Marie to Chatham, and return – up to a maximum of nine (9) hours at the employee's straight-time rate of pay, each way
- Sudbury to Chatham, and return – up to a maximum of seven (7) hours at the employee's straight-time rate of pay, each way
- North Bay to Chatham, and return – up to a maximum of seven (7) hours at the employee's straight-time rate of pay, each way
- Orillia to Chatham, and return – up to a maximum of five (5) hours at the employee's straight-time rate of pay, each way

LETTER OF UNDERSTANDING #10

- 2 -

- Hagar to Chatham, and return – up to a maximum of seven (7) hours at the employee's straight-time rate of pay, each way

For all other training related travel time to other locations, outside of regularly scheduled working hours, employees will be paid at the employee's straight-time rate of pay.

Terry Tippin,
Manager, Labour & Employment Relations

TT/pk

LETTER OF UNDERSTANDING #11

April 26, 2006

RE: Temporary Job Vacancies

During the 2003 negotiations for renewal of the Collective Agreement that expired on May 31, 2003, the parties agreed that in the event a temporary job vacancy is not filled by a current seniority employee through the “Temporary Vacancy” provisions of the Collective Agreement, the Company may then fill the temporary vacancy through a third party service provider, and any such individual will not be covered under, or eligible for, the provisions of the Collective Agreement.

Terry Tippin

Manager, Labour & Employment
Relations

Gerry Loranger

USW Staff Representative

LETTER OF UNDERSTANDING #12

May 21, 2009

Mr. Gerry Loranger,
United Steelworkers,
128 Pine Street, Suite 301
Sudbury, Ontario P3C 1X3

RE: "Choices" Benefit Plan

The Company and the Union agree that the current employer/employee cost sharing percentage of 85% employer and 15% employee will be maintained during the life of the collective agreement. A review of the actual costs of the plan will be conducted on an annual basis and any adjustments will be effective at the time of the annual enrolment of the Choices program. A meeting will be held during the second quarter of the year to review the actual costs of the program.

The parties agree there is a shared responsibility to manage the significant increases being experienced in "CHOICES" Benefit Plan costs. To this end the parties have agreed to meet annually (during the second quarter of the year) during the term of the Collective Agreement (2009 to 2012) for the purpose of:

- Reviewing the previous year's – actual benefit costs, employer / employee cost sharing, employee flex credits totals, benefit price tag selections, and enrolment statistics under the "CHOICES" Benefit Plan;
- Discussing cost management opportunities
- Discussing the content of employee education / information sessions that will be delivered by management, during the term of the Collective Agreement, prior to each annual "CHOICES" Benefit Plan enrolment;

LETTER OF UNDERSTANDING #12

- 2 -

- Reporting to Benefits Management possible changes, cost management opportunities, and education / communication matters related to the “CHOICES” Benefit Plan.

The parties agree that during the annual financial review of each previous year (comparing projected costs to actual costs), if the actual overall employee costs incurred exceeds 15% of the total benefit costs, the company will refund the excess costs to employees in the next annual re-enrolment. The details of how the excess employee costs are refunded will be determined and agreed to during the annual review meeting.

Union sign-off by Memorandum of Agreement will be required to implement any changes to the “CHOICES” Benefit Plan content, not including administrative changes and procedures.

The annual meeting will be arranged by the Benefits Department and the participants will include up to two (2) employees representing the USW and representatives of management.

Rob Cadieux
Manager, Labour & Employee Relations