

MEMORANDUM OF SETTLEMENT

1997 SOCIETY-ONTARIO HYDRO COLLECTIVE AGREEMENT NEGOTIATIONS

The parties hereby agree, subject to ratification, to the following terms of settlement of all outstanding issues in dispute for a new Collective Agreement, expiring December 31, 1998.

Unless otherwise specifically provided the changes set out in this Memorandum of Settlement shall take effect on the date of ratification.

Any item withdrawn by either party during the course of negotiations or mediation is without prejudice to any position that either party may take in any subsequent proceeding.

The headings in this Memorandum are for ease of reference only and do not add to or detract from the substantive language agreed to.

1 WORKING CONDITIONS

1.1 Joint Health Team (Not to form part of the collective agreement)

(Article 92) JOINT WORKING COMMITTEE ON HEALTH AND SAFETY

The Parties agree to amend the terms of reference of the Joint Working Committee on Health and Safety, directing it to form a subteam with appropriate resources to conduct the following work and make recommendations to the JSMC at latest 3 months prior to the expiry of the Collective Agreement:

- Define "Employee Health" as it pertains to Ontario Hydro
- Identify employee health measures that should be adopted by Ontario Hydro
- Analyze the current situation with respect to employee health
- Recommend goals and objectives for employee health and management
- Link goals and objectives to Corporate mission
- Jointly review and analyze internal and external information
- Identify criteria for a healthy work environment

1.2 Diversity/Employment equity (not to form part of the collective agreement)

The Parties are currently involved in a tripartite process. If such process is disbanded or fails, a subteam will be established to provide information and recommendations to the JSMC on Diversity/Employment Equity issues.

1.3 a) Code of Conduct

Add new Article 98 (and re-number others that follow) as follows:

“Where Ontario Hydro develops a Code of Conduct, it shall make reasonable efforts to apprise the Society and employees of the contents thereof prior to implementing the same.”

b) Investigations

Amend Article 17 to add 17.3: “ Where an employee is required to participate in an interview in circumstances where discipline is likely to follow for such employee, the employee shall be advised of his or her right to have a Society representative present, and to have such a representative present during the interview if he or she chooses.”

1.4 Teleworking - Add new article 87 (and renumber following Articles):

Definition of Teleworking:

Telework refers to an Ontario Hydro employee who:

- Is working out of an office in his or her home;
- Does not normally have another office at Ontario Hydro;
- Is not working at home on an occasional or casual basis.

Collective Agreement Standards:

Where Ontario Hydro determines that teleworking may be implemented, the following provisions will apply:

- a) The arrangement will be mutually agreed upon and will be documented prior to commencement of teleworking;
- b) The terms and conditions of the collective agreement will apply except where modified by agreement among Ontario Hydro, the Society and the employee;

- c) Teleworkers will not be required to meet with customers or other Ontario Hydro employees in their **home**;
- d) Teleworking arrangements will be voluntary, and are subject to cancellation as locally agreed;
- e) Teleworking will not change the employment status of the teleworker;
- f) Ontario Hydro will provide appropriate health & safety advice and guidance to the teleworker;
- g) Ontario Hydro will provide appropriate business and personal security advice to the teleworker;
- h) Ontario Hydro shall provide all furnishings/equipment it deems necessary to meet job expectations;
- i) Ontario Hydro will pay for additional insurance costs, if required;
- j) If the teleworking arrangement is terminated then the employee will be entitled to relocation assistance as provided in the collective agreement;
- k) It is agreed that the Society represents employees who fall within the Society recognition clause of the Collective Agreement and who are teleworking
- l) Ontario Hydro will provide in a timely manner the Society with the names, business phone number and business address of teleworkers.

Local agreements

Local management, the employee and the Society will agree on these items as part of a local agreement:

- performance measures
- relevant terms and conditions (e.g. travel)
- training where appropriate
- sunset (with a minimum term)
- cancellation

1.5 Vacancies

a) Blocking - Article 65.6.2 -

Amend Article 65.6.2 by deleting final paragraph.

1.6 Hours of Work

a) Article 57.6.1 - Recording Overtime

Amend Article 57 to add 57.6.1 as follows: "Management shall record assigned and paid overtime and will report the same to the Society every 6 months."

b) Hours of Work Limits (Employment Standards) -

Add new Article 68.11: "Ontario Hydro will comply with legislative requirements regarding hours of work."

c) Article 58.2 - Travel for Training

Renumber existing Article 58.4 and 58.4(a) and add new Article 58.4(b) as follows: "Where Ontario Hydro directs an employee to take a training course, travel time will be compensated in accordance with Article 58.2."

1.7 Shift

a) 10 Hour Shifts

1) Ontario Hydro may assign employees covered by this Article to 10 hour shifts. The parties will determine appropriate terms and conditions for these shifts on or before July 15, 1997. George Adams will remain seized, in any event, to resolve any remaining difficulties that may arise in settling on the terms or conditions.

2) Add new Article 60.8

Ontario Hydro may assign employees covered by this Article to 10 hour shifts. The parties will determine appropriate terms and conditions for these shifts on or before July 15, 1997. George Adams will remain seized, in any event, to resolve any remaining difficulties that may arise in settling on the terms or conditions. This does not apply to employee who are subject to the Letter of Understanding Re: "Hours of Work for Field Management and Professional (FM&P) Staff" dated July 2, 1996.

b) Periodic shifts for non-shift workers .

1) Periodic shifts for non-shift employees shall be allowed to mirror shifts created under PWU "periodic shift" agreements in force at the time of settlement, when the Society employee(s) provides direct supervision or technical support (including inspection/testing) alongside such PWU-represented employees for:

- a) field settings
 - b) laboratory settings.
- 2) In the circumstances described in paragraph 1, above, an employee shall be assigned to periodic shifts for a maximum of 60 working days per fiscal year in the aggregate, under applicable shift provisions of the Collective Agreement including normal shift differentials and premiums.
- 3) This Article does not alter existing local agreements in force at the time of settlement, including agreements reached pursuant to Article 72, and modifications of the provisions of paragraphs 1 and 2 are negotiable as local agreements pursuant to Article 7.
- 4) The JSMC may **review** the application and operation of this Article prior to the end of the Collective Agreement.

1.8 Article 34 - Temporary Employees

Add a fourth paragraph to Article 34.1 as follows: "Notwithstanding the above, Ontario Hydro may utilize a temporary employee for up to 36 months with the approval of the appropriate Society Unit Director.

1.9 Article 7 and 70 - Day Ahead Schedulers

Day Ahead Schedulers may be discussed under Article 7 Attachment A as Article 70.

2 REDEPLOYMENT/PSA

2.1 Default of U of A

The definition of "Business Unit" in article 64.6.1 requires updating to reflect changes to Ontario Hydro's business organization. If the JSMC cannot agree on such an update, any dispute shall be remitted to arbitrator Adams in accordance with Item 10.0.

2.2 Significant Inequity

Add new Article 64.6.4.1.6 as follows: “Where an employee has at least 8 years’ service and is within one of the following functional groups, such an employee may displace an employee in the same functional group with at least 3 years less service, who is performing work for which the senior employee is qualified: Finance, Human Resources, Health and Safety, Procurement, Real Estate.”

2.3 Access to vacancies and rotations/post mix and match

Add to article 64 (New) Redeployment Information Service:

Delete Article 64.6(e) (i) to (iv) inclusive and renumber (v) to (i). Add to Collective Agreement: “Local accountabilities for [reproduce former (i) to (iv)] shall be clearly assigned in the JRPT’s second report. The parties agree to the establishment of the Redeployment Information Service which will manage and coordinate information related to placement opportunities for surplus staff and provide support services to local Society and management representatives.”

2.4 Redeployment options for employees with little opportunities

Delete the following sentence from the second paragraph of Article 64.6.3: “Placement into such positions can only occur in order to fill unmatched positions that could not be filled on a lateral or demotional basis.”

2.5 Voluntary surplus

Add new Article 64.4.4 as follows: “In circumstances where Management is aware that job loss may occur, Management in its discretion may agree to a voluntary termination by an employee in the affected work group. In such cases, employees who terminate their employment, will be entitled to their own entitlement for search notice and severance, plus an additional week of severance for each completed year of service, to a maximum additional payment of 26 weeks’ pay. The combined total of the employee severance entitlement, plus the additional week under this Article cannot exceed 78 weeks.”

2.6 Enhanced absence

The Letter of Understanding (LOU 20) re: Enhanced Absence from Work Policy, only applies to employees currently on leaves and delete the LOU when these

leaves are completed. A Letter of Understanding will be developed enabling Business Units to negotiate Business Unit Mid-Term agreements on conditions for employees who are on or may go on leaves or to continue the past arrangements,

2.7 Mapping

Existing agreements shall be deemed to be Letters of Understanding. Any new mapping agreements shall be locally negotiated and signed as Letters of Understanding.

2.8 Cancellation provisions

The letter found at page A-1 0 re: Purchased Services Agreement is suspended until December 31, 1998.

2.9 FLM

FLMs will be treated as a distinct group to be mixed and matched on a senior qualified basis within themselves, with the people falling out to be mixed and matched with others. Add to 64.6.3 third paragraph: "Employees who are not First Line Managers (FLM) shall not exercise their seniority and displace FLM employees with respect to FLM positions unless they have FLM qualifications."

2.10 Grievability - Article 64

Amend Article 64.7.3 by substituting the following for the third paragraph: "The team will meet and make a decision within three (3) working days of receipt of the appeal. The decision will become part of the JRPT final report recommendation.

Add the following sentence to the second paragraph of Article 64.7.3: "Offers made subsequent to the final report of the JRPT process shall be subject only to the grievance/arbitration and not to the JROT process.

Add the following to Article 64.1.2: "Any agreements reached by the JSMC within the scope of Article 64 are neither grievable nor arbitrable."

3 REPRESENTATION/RELATIONS

3.1 Successor Rights Article 1 1

Not to be added to the Collective Agreement:

While Hydro does not believe that it is necessary for it to discuss Ontario Hydro's communications to the Government, Ontario Hydro does believe that any public policy issues can be usefully discussed under the procedure envisaged in the letter of intent referred to in 3.3 (a).

3.2 Federal Interdelegation

Commit to rights in c/a /No Challenge to Supervisors (FLMs)

The parties agree to the following Letter of Intent:

"Ontario Hydro will not utilize the transfer of jurisdiction under Bill C-3 to seek the exclusion of employees currently falling within the bargaining unit represented by the Society and the terms and conditions of the Collective Agreement at the date of transfer shall continue to apply."

3.3 "Top of House" forums

a) Structured meetings with President and EVPs/ Hydro Board follow up, notice of issues and input (Not to form part of the collective agreement)

The President of Ontario Hydro will forward a letter similar to Appendix A to the President of the Society.

b) Article 5 (Temporary Assignments)

Staff from Ontario Hydro and the Society will continue to review issues arising under Article 5, and LOU 27 which continues in effect, and will recommend a solution to the JSMC.

3.4 Time Limits - Policy Grievances

Replace the last sentence of **Article 16.2(d)**, without prejudice to either party's position on the scope of relief available under Article 16.2(d), with the following: "A policy grievance shall be filed at Step 2, and must be filed within 60 days after the circumstances giving rise to the grievance have come or ought to have reasonably come to the attention of the Society."

3.5 Grievability of JJRT Decisions

Amend LOU 8 (Expedited Job Review Process) and Attachments to provide for the following:

1. Extend LOU termination date to the earlier of JSMC approval of results of Phase 2 of the Society-Ontario Hydro Job Evaluation Integration Project (JEIP) or December 31, 1998.
2. All expedited job review requests must be processed by the Corporate JJRT. Business Unit representatives (Society and/or management) may attend and fully participate in Corporate JJRT meetings reviewing requests from their unit. Delete references to Business Unit JJRTs.
3. JJRT decisions are neither grievable nor arbitrable.

4 PENSION

4.1 Governance/Bargaining Rights

Governance and Control

The parties agree to establish a committee to have access to reasonable pension plan and pension fund information (subject to the understanding that certain confidential information will not be available, and such confidential information that is supplied will be maintained in confidence by the committee/resource persons), and to explore the feasibility and advisability of:

- a) a new governance framework
- b) creation of a pension plan/fund for Society members only
- c) obtaining information that may be relevant to successorship issues

d) obtaining information provided to the Board Finance and Audit Committee dealing with the Pension Plan and Fund.

The committee shall be composed of 6 members, 3 to be selected by Ontario Hydro and 3 to be selected by the Society. Each party shall have the right to have resource persons attend meetings and assist the members of the committee with their deliberations.

4.2 Benefits Improvements (subject to indemnification)

a) Early retirement

See interim arbitration award, attached as Appendix B.

b) Spousal benefit

Add new Article 50.7 as follows: "Effective January 1, 1997, the survivor benefit maximum shall be increased from 60% to 62%. This improvement will apply to members whose pensions commence on or after January 1, 1997 and also to pensioners and surviving spouse&receipt of pensions."

c) Bridging Benefit

Add new 50.8 regarding bridging benefits as set out in Schedule 1.

d) 1997 and 1998 Pension Indexing

Amend 50.5 and first paragraph as follows: "Effective January 1, 1997 (and again on January 1, 1998) Ontario Hydro shall provide an ad hoc increase to pensions equal to 25% of the annual increase in CPI (Ontario) in addition to the 75% indexing guaranteed by the existing plan rules."

Replace the third paragraph with: "The Notional Account balance will be reduced on January 1, 1997 by 50% of the actuarial liability created by topping up the indexing granted on those dates. For this purpose, the liabilities will be determined using the actuarial methods and assumptions adopted for going concern funding valuations for the purposes of determining contributions under the Pension Benefits Act as described in the last filed actuarial report."

"The charge to the Notional Account balance will be adjusted on January 1, 1998 once the liability for topping up the indexing on that date can be determined based on the actual amount of the increase, membership data on January 1, 1998 and the actuarial basis in the most recently filed actuarial report."

This is without prejudice to Ontario Hydro's position with respect to the notional account.

e) Enhanced buy backs

Delete Article 50.6(a) and replace with the following: "Employees will be able to purchase the following service on an actuarial basis at no cost to Ontario Hydro, provided the employee provides evidence of such service satisfactory to Ontario Hydro:

- a) summer and co-op students with Ontario Hydro;
- b) casual construction with Ontario Hydro;
- c) temporary employees with Ontario Hydro;
- d) leaves of absences from Ontario Hydro;
- e) pregnancy/parental leaves from Ontario Hydro;
- f) broken service with Ontario Hydro;
- g) external service."

Article 50.6 (d), (e) and (f) are enhancements to current provisions.

Delete first sentence of Article 50.6(b) and renumber 50.6(c).

Add new Article 50.6(b) as follows: "On or before May 1, 1998, up to 6 months' probationary service (as defined in Article 3.1) may be purchased, based on current contribution rate and pay rate provided the employee provides evidence of such service satisfactory to Ontario Hydro."

4.3 Indemnification

Implementation of the improvements noted in section 4.2 above shall be conditional upon such regulatory approvals as may be required.

Ontario Hydro agrees to indemnify and save harmless the Society and its members for any and all losses resulting from the failure of Ontario Hydro to implement the improvements noted in section 4.2, which may result from any cause other than the future enactment of any general pension legislation applicable to the employees of Ontario Hydro. The agreement to indemnify shall apply to legislation initiated by Ontario Hydro as in Article 50.2 of the collective agreement and a failure to obtain the regulatory approvals above except for the items on buy back which are agreed to be limited by the Income Tax Act.

In the event **that Ontario Hydro** is unable to implement any of the improvements reflected in section 4.2 (except as maybe permitted by the foregoing paragraph), the Society may refer **the matter to arbitration pursuant to the** provisions of the collective agreement and the arbitrator shall have the power to provide a final and binding remedy to compensate the Society and its members for any or all losses resulting from the failure of Ontario Hydro to implement the improvements or any of them.

It is agreed that the arbitrator for the purpose of the foregoing paragraph will be George Adams. If he is unable to act the Chair of the Ontario Labour Relations Board will appoint an arbitrator.

5 COMPENSATION & BENEFITS PACKAGE

5.1 Salary

Delete Article 23.2 and replace it with the following: "The salary schedules shall be increased effective January 2, 1997 by 1.8 %; and, effective January 1, 1998 the salary schedules shall be increased by 1.6%."

Move Article 24.2 d) and add to Article 23 as 23.3.

5.2 COLA Suspension

Add new Article 24.3 as follows:

"It is agreed that the provisions of this Article are suspended until December 31, 1998."

5.3 Performance Pay- Skill Development Plan

a) **Amend Article 32 to read as follows:**

- 1) During the term of this Collective Agreement (January 1, 1997 - December 31, 1998), the Corporation will not terminate or alter the terms of the Performance Pay Plan (1978, revised 1987) without the agreement of the Society. The current practice for administering the Plan will continue.

- 2) The Corporation will make minimum performance payouts of 1.0% of base payroll effective January 1, 1998 (for the performance year 1997) and December 31, 1998 (for the performance year 1998).
- 3) Ontario Hydro will consult with the Society on the performance pay guidelines for any future distribution of performance pay at the Corporate level and in each Business Unit prior to implementation.
- 4) Within 90 days of the implementation of any performance payout, the Corporation shall provide the Society with the following data in electronic format:
 - a) Salary information for Society-represented employees as of December 31 of the preceding year and January 1 of the current year with fields identifying employee number, salary schedule, salary grade, and performance standing for each date, Business Unit, Division, department, and location. If there are five or less employees in any organizational unit, their salary information **will** be included in the next larger organizational unit.
 - b) Statistics regarding distribution of the year's performance pay adjustments, performance pay standings, and compa-ratios by salary grade and Business Unit for all performance paid staff. If there are five or less employees in any organizational unit, their salary information will be included in the next larger organizational unit.

5.3 a) Nothing in 5.2 amends or abrogates any terms of the Performance Pay Grievance Settlement, dated June 21, 1996.

b) Add the following provision to Article 94:

Performance Pay

Task - A joint team will examine and report to the JSMC on competency development/skill achievements and how it links to pay. Terms of reference for this team will be developed and approved by the JSMC.

5.4 Health and Dental

a) Dental Plan- Amend Articles 47.3 and 47.4 as follows:
Effective July 1, 1997 - Dental Plan coverage shall be based on the 1997 Ontario Dental Association (ODA) Fee Guide

Effective January 1, 1998 - Dental Plan coverage shall be based on the 1998 .
Ontario Dental Association (ODA) Fee Guide

b) Clinical Psychology - Amend 46.1 to provide, effective January 1, 1997 clinical psychologists fees coverage will be increased from \$1000 to \$1500 per year.

C) Chronic Care - Effective January 1, 1997 the amount for chronic care coverage is increased from \$20.00 per day to \$30.00 per day with all other terms to remain the same.

d) Paramedic Services – Effective January 1, 1997 coverage for naturopaths, clinical ecologists, homeopaths, acupuncturists and registered masseurs will be to an aggregate maximum of \$200.00 per year with 50% co-insurance.

5.5 Benefits for Laid Off Employees

Add the following to Article 64.12 (g): Notwithstanding clause (f) above, persons on recall shall be provided with coverage under the Ontario Hydro Health and Dental Plan from the date the right of recall commences for a period of 6 months or until the commencement of alternative employment whichever comes first.

5.6 Severance

Amend Article 64.9.1 by deleting the first sentence and replacing it with the following: " Severance pay for the purposes of this Article will be calculated, for persons with less than 20 years service at a rate of 2 weeks for each year of service at the termination of employment date. Employees with a minimum of 20 years of service shall receive severance pay of 3 weeks per year of service at the termination of employment date to a maximum of 78 weeks.

5.7 R A F T

Delete Letter of Understanding re: Society Training Account (LOU-I 7). The funds standing to the credit of the Society Surplus Training Account as of the date of ratification, together with accrued interest after that date, may be used at the Society's discretion for the benefit of Society-represented employees **and/or** reskilling of surplus and at risk staff. If other uses are contemplated the matter must be approved by the JSMC. Unused funds, if any as of December 31, 1998 shall become a credit to the Society in the next round of negotiations.

[Add sentence as per interim arbitration award, attached as Appendix B]

5.8 Term of Contract

2 years.

5.9 Incentive Plan

The parties agree to develop a Letter of Understanding to establish, on a trial basis, an Incentive Pay Plan with the following elements:

- 1) Payments made under the Incentive Pay Plan are over and above other forms of compensation for Society-represented employees (i.e., it is a “top hat” plan). The parties agree that a third party (e.g., an interest mediator-arbitrator) cannot factor in the Incentive Pay Plan in determining the award on monetary issues during collective bargaining.
- 2) The Incentive Pay Plan will be put in place on a trial basis and will cover the period from January 1, 1997 until December 31, 1998, unless otherwise agreed. At the end of this period, the parties will conduct a joint experience review of the concept and the measure used to determine payout eligibility under this Plan (See item 5 below). The concept and the measure will be freshly negotiable during the next round of Collective Agreement renewal bargaining.
- 3) Payouts made under the Incentive Pay Plan will be distributed as universal (i.e., corporate-wide) equal dollar payments to all Society-represented employees.
- 4) Within 30 days of the settlement of this Collective Agreement, the parties will establish a joint committee to address issues associated with the design, operation and implementation of the Incentive Pay Plan (e.g., the dates of Plan operation).
- 5) The measure used to determine payout eligibility under the Incentive Pay Plan will be Variable Unit Cash Cost (VUCC). VUCC is defined as follows:

(OM&A + Fuel + External Power Purchases + Water Rental - Secondary Revenue - Other Revenue) divided by (Primary Delivered Energy).

VUCC is a measure of efficiency in energy production and distribution. It compares the cash cost of producing and distributing energy to the amount of energy sold and is expressed as cents per kilowatt hour.

- 6) VUCC results will be subject to annual independent auditing.
- 7) Following consultation with the Society, the Corporation will set annual optimum and minimum targets for VUCC (e.g., optimum target of 2.5% improvement during 1997). The minimum target for 1997 will represent half of the optimum target (e.g., 1.25% improvement during the year). Achievement of the optimum target will generate 2.0% of Society base payroll (approximately \$8 million). Achievement of the minimum target will generate 1.0% of Society base payroll (approximately \$4 million). Payments will be made if the minimum target is achieved. Achievement of VUCC improvements beyond the minimum and optimum targets will generate payments on a proportional basis (e.g., if an improvement of 2.0% is reached, then a payment of 1.6% of Society base payroll will be made). There will be no cap on payments (e.g., if a VUCC improvement of 3.0% is reached, then a payment of 2.4% of base payroll will be made).

Example: (For 1997 purposes only)

	Minimum	Optimum	Exceptional
Target Percent Improvement in cents/kWh	1.25%	2.5%	5.0%
Plan Distribution to Employees (as a % of payroll)	1.0%	2.0%	4.0%

- 8) Payouts made under this plan are contingent on the following:
 - a) the Corporation meets its obligations with respect to Annual Statutory Debt Reduction as required under the Power Corporation Act; and
 - b) the Corporation meets its annual employee safety target, expressed as accident severity rate and set by the Ontario Hydro Board.
- 9) Either party may cancel the Incentive Pay Plan on 90 days written notice to the other party.
- 10) This Letter of Understanding terminates on December 31, 1998.

5.10 Amend 94.1 e) to provide for the following:

94.1 e) Job Evaluation Integration Project (formerly Internal Relativity Project)

Task - Ontario Hydro and the Society reaffirm their intention to complete the Job Evaluation Integration Project (formerly known as the Society-Ontario Hydro Internal Relativity Project) on the basis of the JSMC approved terms of reference for this project. The parties also agree to:

Continue the TMS special relativity allowance (as per Article 30) until March 31, 1999. This Article will include a sunset clause in the event that the parties are unable to agree on a new job evaluation plan and a plan for its implementation by January 1, 1999. If agreement on a new job evaluation plan is not reached by January 1, 1999, the parties may review Article 30 to determine if the continuation of these payments is appropriate.

Continue current job evaluation plans (as per Article 31) until there has been agreement on their replacement.

6.0 Update

The parties will assign staff to identify and review active letters of understanding, business unit mid terms and Articles 77, 94, 97, 98 in the collective agreement.

7.0 Appendices

The parties agree to review the list of arbitrators under Appendix 5 and Appendix 6.

8.0 Schedule 2


Prior to the mediation/arbitration process, the parties agreed on certain matters, attached as Schedule 2. These will be incorporated into appropriate contract language in the final collective agreement, where **required**.

9.0 All other issues in dispute are hereby withdrawn.

10.0 This memorandum is subject to ratification by the employees in the bargaining unit, which shall be effected as soon as possible. Ontario Hydro will be advised by the Society as soon as ratification is effected. If ratification is not effected, George Adams shall complete his task as mediator/arbitrator to finalize the Collective Agreement. George Adams will remain seized, in any event, to resolve any remaining difficulties that may arise in settling on language in the final Collective Agreement for signing by the Parties.

Dated at Toronto, this 1 st day of May 1997.


Ontario Hydro


Society of Ontario Hydro
Professional and Administrative
Employees

APPENDIX A

DRAFT

April 23, 1997

Mr. J. Wilson
President,
The Society

Dear John:

While there are formal mechanisms in place to manage the interaction between Ontario Hydro and the Society, I would also like **to establish a working** relationship between the two of us as Presidents of **our respective** organizations.

This would enable us to discuss significant business issues **of mutual concern**, and allow us to exchange our views on these matters in an unstructured manner, and without the constraints of contractual processes.

In addition, I will encourage the continuation of the present arrangement for you to receive feedback on Ontario Hydro Board activities through personal briefings from Chris Chorlton.

I look forward to meeting with you in the near future.

Sincerely,

O. A. Kupcis
President and CEO
Ontario Hydro

Interim Arbitration Award
Appendix B

1. Early Retirement

Delete Article 50.4 and replace with the following:

"Effective January 1, 1998, employees with the following combinations of age and continuous employment may retire early and receive the earned pension without any early retirement discount:

Age 64 and at least	21 years of continuous employment
63	22
62	23
61	24
60	25
59	26
58	27
57	28
56	29

2. RAFT

Add the following sentence to Item 5.7:

John funds standing to the credit of the
The Society Surplus Training Account shall be increased by the sum of \$350,000 effective the date of ratification.

John Adams

Schedule 2


~~Exhibit 4~~

**Joint Society-Ontario Hydro Report
to Mediator-Arbitrator Justice Adams
on Consensed Items
reached to Date during
1997 Collective Agreement Renewal Negotiations**

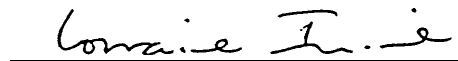
April 14, 1997

Attachment A lists the substantive items on which the Society and Ontario **Hydro** have reached consensus during their Collective Agreement renewal negotiations to date. Final agreement on these items is subject to **confirmation** as part of any **full** settlement package.

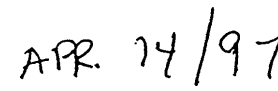
The bold numbered headings (i.e., S 1, M2 etc.) refer to the issue identification system adopted by the parties for the receipt and discussion of sub-team and main team reports (S = Society, M = management). The attachment does not include agreements reached by the parties on facts, interests, actions or process issues.



For the Society



For Ontario Hydro



Date

Attachment A

1. Job Evaluation Integration Project (JEIP) Sub-team

M1 Joint Job Challenge Resolution Committee (JJCRC)

- a) Article 19 will be amended to require that the JJCRC use the rules of application and any guidelines for the job evaluation plan used to evaluate the disputed job.
- b) Prior to the printing of the next Collective Agreement, staff will jointly review the names on the list of possible JJCRC arbitrators contained in Appendix V 1 and make any necessary amendments.

S1 Article 30 (TMS Relativity Payments)

- a) Section 30.4 will be amended to provide for the extension of TMS relativity allowance payments until the earlier of the implementation of the new job evaluation plan being developed through JEIP or the end of the term of the Collective Agreement,
- b) Sub-sections 30.4.2, 30.4.3, and 30.4.4 from Article 30 will be deleted.
- c) Subject to confirmation that the “supervisory time bank” policy used to compensate UPGWA-represented staff in relief situations is no longer being applied at DNGS, no change will be made to the scope of application of Article 30.

2. Compensation and Benefits Sub-team

S 1/M1 Health and Dental

- a) Sub-section 94.1 (c), which established a joint benefits administration team to examine and make recommendations on the administration of employee benefits (including cost management of benefits plans), will be renewed.

M5 Relocation and short term assignments

- a) A joint team will be established to make recommendations to the JSMC on applicable treatment for employees on temporary assignments away from their regular work headquarters for a period of between 6 and 24 months. The JSMC will determine the terms of reference for this team. The team will report to the JSMC within 90 days of the settlement of the terms of the Collective Agreement.

S7 Rehabilitation (Article 45)

- a) A joint team will **be established to conduct an** experience review of the “rehabilitation and reemployment” **policy and to ensure that practice** is consistent with the Collective Agreement, **specific-ally** with respect to the conditions that apply to permanently disabled employees who are able to return to work only on a permanent part-time **basis**. On the basis of this review, the team will make recommendations to the **JSMC** within **90 days** of the settlement of the **terms** of the Collective Agreement. The **JSMC** will determine the terms of reference for this **team**.

4. Redeployment Sub-team (Article 64)

S7 The Letter of Understanding (LOU) re “Society-Management Function/ESR Boundary Issues”

- a) This LOU will be renewed for the term of the Collective Agreement.

S8 Annexations and Redeployment

- a) (N.B. - Agreement in Principle) In advance of any annexation (as currently provided for under Section **83.7** of the Power Corporation Act), the parties will meet to discuss and attempt to resolve issues associated with adverse impact and Article **64** of the Collective Agreement. These discussions are without prejudice to the exercise (by an employee or the Society) of rights under Article **64** and do not predetermine whether or not Article **64** will be triggered.

S14 The Letter of Understanding re “Pre-Mix and Match Surplus Declarations”

- a) This LOU will be renewed for the term of the Collective Agreement.

M2 Timeliness of JRPT Functioning

- a) Staff will prepare a JRPT handbook reflecting the “best practices” of JRPTs. This handbook is intended to be an advisory/communication tool, not a prescription of what must be done.

M6 Determination of Qualifications

- a) The following clarification will be incorporated into the JRPT handbook (per M2 above):
 1. Viability expectations should be set out prior to JRPT preparation of its first report.
 2. Viability concerns with the JRPT First Report may result in the Business Unit

Leader implementing **Article 64** on the basis of defaults i.e., Unit of Application, senior qualified and **64.6.2.2 a) and b)** only.

3. **Qualifications** (specifications and evaluation) are determined by management.
4. The **JRPT** “mixes and matches” on the basis of seniority and qualifications.
5. Viability concerns with **respect** to the **JRPT** Second Report may result in the Business Unit Leader implementing **Article 64** on the basis of defaults i.e., Unit of Application, senior qualified, and **64.6.2.2 a) and b)** only.

M7 Significant Inequity Process

- a) A joint team will be established to make recommendations to the main team on significant inequity issues.

M8 Compensation of JRPT Participants

- a) Society representatives on JRPTs and JRPT implementation teams will continue to be compensated only at their base rate of pay.

M11/S21 Involvement and Accountability Structures in Article 64

- a) The intent of the principle of “prior involvement” (Sub-section 64.4.1) is as follows:

Management is accountable for defining the **organization** and it is appropriate to have discussion with the Society around the implementation of this **organization**. This principle is a good faith provision and should not be prescribe the extent of discussion either before or after **organization** charts are produced, but there should definitely be prior involvement they are **finalized**.

- b) Staff will produce a “question and answer” document on the principle of prior involvement to educate those who need to understand it.
- c) There is ongoing accountability for intervention where there are problems with respect to the application of this principle.

5. Hours of Work Sub-team

S3 Process for Scheduling Hours of Work

- a) All parties to negotiations under **Article 70** should negotiate with the support of principals who will ultimately approve negotiated conditions.

S5/M4 Extension of 12 Hours Shifts to other organizational units

- a) 12 hours **shifts** should be a “generic” condition applicable, in principle, to any Business Unit.

6. Purchased Services Agreement (PSA) Sub-team

S5 Expedited Dispute Resolution Process

- a) A sitting arbitrator will be appointed to resolve all disputes arising **from** the application and interpretation of the Purchased Service Agreement. Either may exercise a veto given reasonable notice.

M5 Costing Model

- a) In principle, the level of information to be considered in the evaluation of purchased services decisions should be commensurate with the size/complexity of the decision involved. The costing model developed by the parties in 1992-93 is **an** optional **tool** which may be used as required.

M6 Role of JSMC

- a) Sub-section 5.3 of the PSA will be amended to incorporate the following clarification:

The JSMC does not make decisions on:

- purchased services
- the application or non-application of the PSA

The JSMC may:

- provide advice on interpretation of the PSA
- facilitate or recommend facilitation of PSA disputes

7. Involvement Sub-team

S17 Jurisdiction Arbitration Process

- a) A joint mid-term task group will be established to examine and report to the JSMC by October 1, 1997 on the following problem:

How to apply successful experiences with pre-hearing disclosure and evidentiary protocols to jurisdictional arbitrations while minimizing unnecessary replication of

special procedures in the Collective Agreement,

S19 Workplace Harassment and Human Rights Complaints Processes

a) The parties will enter into a Letter of Understanding which will contain the following components:

14/1

- when a complainant or respondent to a human rights or harassment complaint files a request for representation by the Society, the parties will attempt to agree on the terms for a Step 1A before the complaint is advanced to Step 2 of the grievance process.
- at Step 1A the parties will first attempt to agree on a fact-finding process that may include:
 - the use of a neutral investigator agreeable to both parties;
 - consideration of reports **from** preceding investigation;
 - interviews with affected employees.

With the consent of the affected employees and the parties, mediation may be appropriate in these circumstances. Failing this, the Society may advance the grievance directly to Step 2.

- the Society and Ontario **Hydro** will attempt to agree upon a list of neutral investigators for use at Step 1 A, where required.
- if a process is agreed to, the parties will attempt to agree on a statement of facts based on the findings of the investigation. Failing agreeing, the Society may advance the grievance to Step 2.
- management will determine what course of action it will take based on the fact-finding exercise at Step 1A and will inform the Society of its decision in a timely manner. If the Society does not agree with management's decision, it may advance the grievance to Step 2.
- if the parties reach agreement on a statement of fact, it may be relied upon by either party at Step 2 and arbitration. Both parties retain the right to introduce additional facts and issues at Step 2. There will also be an attempt at Step 2 to consolidate any other grievance issues that may be related to the human rights or harassment allegations and to balance the interests of affected employees.
- the Letter of Understanding will remain in effect for a minimum of one

year, continuing thereafter subject to termination by either party on **90 days** written notice.

8. Main Team Issues

S9 Article 83 (Deferment or Interruption of Vacations)

- a) This Article will be incorporated into Article 38 (Vacations).