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EFF.	98	04	01
TERM.	2000	03	31
No. OF EMPLOYEES	1560		
NOMBRE D'EMPLOYES	dF		

COLLECTIVE AGREEMENT
BETWEEN

THE ENBRIDGE CONSUMERS' GAS COMPANY LTD.



And

THE COMMUNICATIONS, ENERGY AND PAPERWORKERS UNION



Local 975

APRIL 1, 1998

TO MARCH 31, 2000

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 FOR COMMERCIAL (152)

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TABLE OF CONTENTS

Article 1	Recognition-----	4
Article 2	Union Management Co-operation-----	5
Article 3	Reservations to Management-----	7
Article 4	Strikes or Lockouts-----	8
Article 5	Check-off of Union Dues-----	9
Article 6	Union Security-----	10
Article 7	Negotiating Committee-----	12
Article 8	Duration of Agreement-----	13
Article 9	New Employees-----	14
Article 10	Seniority-----	15
Article 11	Job Postings-----	16
Article 12	Temporary Employees-----	18
Article 13	Layoff/Recall-----	19
Article 14	Employee Benefits-----	20
Article 15	Sick Benefits-----	21
Article 16	Annual Vacations-----	23
Article 17	Public Holidays-----	25
Article 18	Floater Days-----	26
Article 19	Leave of Absence-----	27
Article 20	Bereavement Leave-----	28
Article 21	General Clauses-----	29
Article 22	Hours of Work - w - e-----	31
Article 23	Overtime-----	32
Article 24	Disciplinary Action-----	34
Article 25	Grievance Procedure-----	35
Article 26	Arbitration-----	36
Article 27	Rates of Pay-----	37
Appendix "A"	Definition of Units-----	45

LETTERS OF UNDERSTANDING

#1 Recognition Clause	46
#2 Reconfiguration of Collective Agreements-	47
#3 Shift & Hours of Work	48
#4 Incentive Compensation Proposal	49
#5 Pilots	50
#6 Unbundling	53
#7 Growing the Business	54
#8 Employee Security	55
#9 Sales Incentive Program	56
#10 Full Time Officers	57
#11 Philosophy Statements	58
#12 Work Outside of Province of Ontario	61
#13 Working Hours - Niagara	62
#14 Testing	63
#15 Religious Holidays	64
#16 Overtime and Supervisors doing Bargaining Unit Work	65
#17 Lead Hands	66
#18 Technical Desk Position	67
#19 Brockville	68
#20 Temporary Re-Assignment of C&M Employees	69

This agreement made the 20th day of May, 1998 by and between The Consumers' Gas Company Ltd., or it's successor, hereinafter called " The Company" and The Communications, Energy and Paperworkers Union, or it's successor, herein after called the Union.

ARTICLE 1
RECOGNITION

- 1.01 The parties, having agreed to further their relationship by consolidating existing collective agreements into one document with subsets based on lines of business, hereby define the language to be used as the "recognition clause" in that new agreement. Although intended to be definitive, the parties acknowledge that as time progresses, the following language will have to be reviewed to deal with evolving issues.
- 1.02 The Consumers' Gas Company Ltd. hereinafter referred to as the Company **recognizes** the Communications, Energy and Paperworkers Union **Local 975**, hereinafter referred to as the Union, as the sole bargaining agent for:
- A) All clerical and laboratory employees, save and except Niagara Region non operating employees, supervisors, those above the rank, residential/commercial sales associates, energy management consultants, account associates, secretaries to department managers, those above that rank, those employees in the Human Resources, Budget, Regulatory Affairs and Corporate Affairs departments, and clerical persons who normally work 24 hours per week or less in the Central Region of Consumers Gas.
 - B) Appliance sales representatives working in locations currently (as of 98-01-01) represented by CEP Local 975 save and except supervisors and those above that rank.
 - C) All operations employees save and except supervisors, those above that rank and those working out of the Grimsby office.

**ARTICLE 2
UNION MANAGEMENT CO-OPERATION**

- 2.01 Conferences between the Company representatives and the negotiating committee to discuss matters other than grievances shall be called when mutually agreed upon. Matters to be discussed at any such conference shall be listed in an agenda to be supplied by the party requesting the conference to the other party not less than forty-eight (48) hours before the time for which the conference is arranged.
- 2.02 The Union Safety representatives may request meetings with Company Safety representatives and, sufficient notice having been given, such meetings shall be held as soon as possible thereafter. Either party or both parties may make recommendations to their principals, and pass on information resulting from these meetings.
- 2.03 The parties agree that the "Involvement Philosophy Statement" will be used to strengthen the relationship and reflect the way in which the parties will work together in the future. (See Letter of Understanding)
- 2.04 The Company and the Union **recognize** the importance of a strong commitment to the Health and Safety of its work force and therefore agree and commit to the following:
- A) Compliance with a standard that, as a minimum, meet all applicable laws and regulations as of April, 1998, and reflect applicable industry standards.
 - B) That the Company will provide and maintain a safe and healthy work environment, safe equipment and will follow operating practices that will safeguard all employees and the public.
 - C) The elimination of the source of dangers to the health, safety and physical well being of its employees is of paramount importance.
 - D) That procedures are in place to ensure the efficient delivery of, and accessibility to, Health and Safety training.
 - E) That the Company and the Union will work together to ensure all employees are aware of their rights and obligations with respect to these commitments.
 - F) That unacceptable performance of health and safety responsibilities will not be tolerated.
 - G) Development and communication of a Safety Management System.

ARTICLE 2

UNION MANAGEMENT CO-OPERATION (Continued)

- 2.05 The Company and the Union also recognize the importance of Joint Health and Safety Committees, comprised of knowledgeable employees, to achieving these commitments and agree to ensure that the committees have the necessary support to fulfil their role.

**ARTICLE 3
RESERVATIONS TO MANAGEMENT**

- 3.01 The Union recognizes the right of the Company to operate and manage its (the Company's) business in all respects.
- 3.02 The right to hire, manage the working force, and maintain order and efficiency is the exclusive responsibility of Management, provided there is no conflict with the terms of this Agreement.
- 3.03 The right to promote and the right to discipline and discharge for cause are likewise the exclusive responsibility of Management, provided that claims of discriminatory promotions and wrongful or unjust discipline or discharge shall be subject to the grievance procedure herein provided.

**ARTICLE 4
STRIKES OR LOCKOUTS**

4.01 The Union and the Company **recognize** their respective and unusual responsibilities to the public constantly being served by the Company and therefore, pledge that there shall not be any resort to lockouts, strikes or any other collective action which will interfere in any way with the gas supply, production distribution or **utilization** during the term of this Agreement.

**ARTICLE 5
CHECK-OFF OF UNION DUES**

- 5.01 The Company agrees that a check-off of the Union dues shall be made on a weekly basis from the salary of all Union members and that dues will commence from the first week of employment for all new employees.
- 5.02 The Union shall notify the Company of the amounts of dues on the effective date of this Agreement. Such amounts shall be subject to change at the request of the Union once each three-month period during the life of this Agreement. Such deductions will be remitted to the Secretary-Treasurer of the Union within one week of the deduction and shall be accompanied by a list of the employees from whom the deductions have been made and their addresses will be forwarded to the Treasurer of the Union. Such deductions will be remitted into the Unions account.
- 5.03 Upon not less that 30 days' notice from the Secretary-Treasurer of the Union, the Company shall check off a special assessment of one or more weeks' duration from the salary of all Union members, no more than once in each three month period during the term of this Agreement, provided that a copy of the minutes relating assessment, certified by the Secretary of the Union, is forwarded with the requests. Such deductions will be remitted into the Unions account within one week of the deduction.

**ARTICLE 6
UNION SECURITY**

- 6.01 Employees covered by the terms of this Agreement who enter the Company's service shall, as a condition of continued employment, become members of the Union and remain members in good standing in accordance with the constitution and by-laws of the Union for the duration of this Agreement.
- 6.02 An employee elected or appointed to a full-time office in the Union which requires a continuous and extended absence from regular work, shall upon written application therefore, be granted such leave of absence without pay, and without loss of seniority for such time as the office is held, to a maximum leave of two years, after which further leave may be granted at the discretion of the Company. It is the condition of reinstatement to their former position that the employee apply therefore within thirty (30) calendar days after the expiration of this term of office with the Union', and that they are competent to perform the work.
- 6.03 Members of the Union when delegated or elected to transact bonafide business pertaining to the Local Union, shall upon written application therefore made at least forty-eight (48) hours prior, be granted time off without pay.
- 6.04 With respect to business pertaining to the Communications, Energy and Paperworkers Union leaves will be granted provided 14 days' notice given. In the event that leaves of absence granted under this clause unduly interfere with the operation of a department, the Company and the Union shall discuss possible alternate arrangements; however, failing to agree on alternate arrangements, said leaves of absence shall not be withheld. If a substitute is agreed upon as an alternate arrangement the substitute shall receive the same pay as the absent employee would have received. There is commitment not to interfere with operations.
- 6.05 The Company agrees that no employee shall suffer loss of normal salary while attending Company - Union meetings.
- 6.06 The Company and the Union agree that there will be no discrimination against employees due to union involvement.
- 6.07 The Company **recognizes** the Local Union shall require a full-time officer. The terms and conditions are documented in an attached Letter of Understanding.

ARTICLE 6
UNION SECURITY (Continued)

- 6.08 The Company shall recognize Stewards, appointed by the Union. The Union shall provide the Company with an up to date list.
- 6.09 The Company agrees to provide bulletin boards, for the posting of Union notices. It is understood that a copy of these notices shall be submitted to the Human Resources Department prior to posting.

**ARTICLE 7
NEGOTIATING COMMITTEE**

- 7.01 The Company **agrees** that a Negotiating Committee not to exceed ten (10) in number, selected by the Union, shall be **recognized** as the **authorized** representatives of the employees on any proposed renewal or revision of this Agreement. This committee may be augmented by representatives of the Communications, Energy and Paper Workers Union.



**ARTICLE 8
DURATION OF AGREEMENT**

- 8.01 This Agreement shall become effective on April 1, 1998 and shall remain in effect until March 31, 2000, and thereafter shall continue in effect until one party hereto notifies the other party within sixty (60) days of the anniversary date of this Agreement or any extension thereof that such party elects to modify or amend this Agreement.
- 8.02 Notice of termination, addition to, or revision of any or all of this Agreement's provisions require that negotiation on such proposals commence no sooner that ten (10) days after March 1, 2000.
- 8.03 Should this Agreement be allowed to continue in effect automatically after March 1, 2000 any or all of its provisions may be terminated at any time thereafter on two (2) months notice by either party thereto, negotiations commencing no sooner than ten (10) days and no later than thirty (30) days from date of such notice.
- 8.04 All appendices to this Agreement shall form part of this Agreement.

**ARTICLE 9
NEW EMPLOYEES**

- 9.01 New employees shall be considered to be on probation until they have completed three (3) months of continuous service. Probationary employees have no rights under the collective agreement except for hours of work, rates of pay and statutory holidays. This three-month period may be extended by a maximum of three (3) months by agreement between the Company and the Union. The Company will notify the Union in writing of any termination of a probationary employee.

**ARTICLE 10
SENIORITY**

- 10.01 The purpose of rules respecting seniority is to give employees an equitable measure of security based on length of service with the Company.
- 10.02 Upon completion of the probationary period, seniority shall become effective for new employees from the date of entry into the service of the Company.
- 10.03 For full time exempt, temporary and part time exempt employees entering the bargaining unit, seniority with respect to job postings and layoff will be calculated from the date of entry into the Bargaining Unit, unless otherwise negotiated.
- 10.04 Seniority shall not be broken by leave of absence in writing granted by an official of the Company or by illness attested to by a physician's certificate.
- 10.05 Seniority shall be lost for any of the following reasons:
- A) if the employee voluntarily leaves the employ of the Company;
 - B) if the employee is discharged and is not reinstated pursuant to the provisions of the grievance procedure;
 - C) in the event of a lay-off for a period of twenty-four (24) consecutive months;
 - D) If an employee voluntarily leaves Local 975 for a period of twenty four (24) consecutive months;
 - E) Is absent from work for a period of ten (10) working days without satisfactory notification to the Company. This shall be deemed a voluntary resignation. Circumstances beyond the control of the employee will be taken into consideration. The Union will be notified after five (5) days of no report.
- 10.06 Officers and Shop Stewards of the Union, during their terms of Office in the Union, shall head the seniority list. This clause will not apply when considering seniority for promotion or vacation.
- 10.07 Unit seniority lists showing company seniority, and identifying unit seniority (if applicable) shall be posted on all bulletin boards and a copy sent to the secretary of the units. This list shall be revised every six (6) months.
- 10.08 Description of unit territories is attached on appendix 'A'

**ARTICLE 11
JOB POSTINGS**

- 11.01 When a vacancy in a permanent job occurs it will be posted on all bulletin boards company wide for a period of seven (7) days. A copy of this posting will be supplied to the secretaries of the Units.
- 11.02 Within ten (10) working days of such original posting, the Company will re-post the notice indicating thereon the successful applicant for the position and the Union will be advised of all applicants. When posting for promotion, or different job classifications, where qualifications are equal, the applicant with the most seniority shall be awarded such job as soon as practicable except where the vacancy is posted on a forecast basis. For all other postings, if qualified and able to do the work required, the applicant with the most seniority will be awarded such job as soon as practicable except where the vacancy is posted on a forecast basis.
- 11.03 Applicants for positions below Range 7 received from employees who were accepted for their current position within six (6) months prior to the date of any posting for which they may apply, will be accepted at the sole discretion of the Company. Unless such application is accepted, these employees will be ineligible for posting purposes under this article. Acceptance of applications will not be unreasonably denied.
- 11.04 In the event that a successful applicant proves unsuitable on a posted job, the Company will attempt to relocate the employee to a suitable position.
- 11.05 Any unsuccessful applicant, whose seniority is greater than the successful applicant has the right to apply for an opportunity to demonstrate their ability, provided the application is made within seven (7) calendar days following written notice that the applicant was not accepted. Any decision made for filling of such vacancies inconsistent with this article would be subject of a grievance and processed under the grievance procedure. The unsuccessful applicant with seniority may request and will be advised of the reasons they were not accepted.
- 11.06 A permanent position shall be filled in accordance with the following:
- A) A maximum of 50% of Labourer vacancies in Northern, Central and Western Regions may be filled locally;
 - B) Up to 50% of vacancies for Fitters in a Region may be filled by Fitters-in-Training. Preference will first be given to F.I.T. applicants from the Region in order of seniority;

**ARTICLE 11
JOB POSTINGS (Continued)**

- C) Fitter postings in a Region shall be filled on an alternating bargaining unit and district seniority basis. Day shift shall alternate independently of afternoon shift.
 - D) Gas Technicians filling Labourer vacancies will carry their rate to the new job.
- 11.07 A vacancy in a permanent position may be filled for a period of thirty (30) working days. An employee so transferred will receive the higher rate of pay.
- 11.08 A Temporary position shall be defined as one which shall not extend beyond a total period of sixty (60) calendar days, save and except for the following:
- A) temporary employees hired for a maximum of forty (40) weeks for maternity/parental leave coverage;
 - B) temporary Labourers hired in the Construction and Maintenance department who may be hired for a period not exceeding six (6) months in any twelve (12) month period;
 - C) it is the intent of the Company to hire temporary Labourers for specific work projects, seasonal new construction and illness, accident or maternity leave coverage;
 - D) or as otherwise agreed to by the parties.
- 11.09 A temporary employee hired on contract to fill a temporary position shall be laid off in accordance with the conditions stated above.
- 11.10 Time periods may be extended by mutual agreement.

**ARTICLE 12
TEMPORARY EMPLOYEES**

- 12.01 Temporary employees have no rights under this collective agreement except for hours of work, rates of pay and statutory holidays, and the grievance procedure as it relates to these issues.

**ARTICLE 13
LAYOFF/RECALL**

- 13.01 In the event of a lay-off the principle of seniority shall apply.
- 13.02 In the event of a lay-off the Company and the Union will endeavour to place displaced employees in other jobs. The Company shall give the employees who are subject to lay-off and the Union sixty (60) days notice
- 13.03 Employees in the job concerned shall be given lay-off notice. An employee with seniority who is laid off in their unit can displace an employee with less seniority provided the employee is qualified to perform the job.
- 13.04 If a change in methods or operations occurs which may result in the lay-off of employees, the Company agrees to, in consultation with the Union, make a reasonable effort to train and adapt such employees in the operation of the new equipment or methods.
- 13.05 Employees who are laid-off will be retained on a recall list, and will maintain and accrue seniority, if not on lay-off for more than twenty four (24) months. When work is available, employees on the recall list will be recalled in order of seniority of their unit, provided that the employee to be recalled is qualified and able to do the work.
- 13.06 Notice of recall to work shall be directed by registered mail to the employee's last known address, unless he/she has received prior notice by telephone which will be confirmed by registered mail. It shall be the employee's responsibility to keep the Company informed of his/her address.
- 13.07 The recalled employee must notify the Company of his/her intention to return to work within five (5) days of the date of recall notice, and must return to work within ten (10) working days of date of recall notice or make alternate arrangements satisfactory to the Company.
- 13.08 An employee who refuses recall to a job will not lose seniority, but will lose future claim to the job which he/she has refused to accept.
- 13.09 Prior to re-employment, employees in order of seniority who have bumped into other positions shall be given the first opportunity to return to their previous position when a vacancy occurs.

**ARTICLE 14
EMPLOYEE BENEFITS**

- 14.01 **Benefit Coverage**
The Company agrees to provide pension and welfare benefits as described in the Company Booklets, benefit plan documents or policies of insurance for the duration of the Agreement.
- 14.02 **Pension Plan**
The terms of the Pension Plan form part of this Agreement. All employees must enroll in the Pension Plan in accordance with its terms and conditions.
- 14.03 **Hospital, Surgical, and Medical Benefits**
- A) Employees are eligible to enroll in the Provincial Government's Health Insurance Plans in conformity with Provincial Legislation. The Company will pay 100% of the cost of such plan. In the event of elimination of the (Provincial) O.H.I.P. plan the Company will provide comparable coverage.
 - B) Employees after three (3) months' service will be eligible to enroll in the extended health benefits plan and the semi-private hospital coverage plan for employees and their dependants. The Company will pay 100% of the cost for such plans,
- 14.04 **Group Life Insurance**
- A) Employees must enroll in the Company's Group Life Insurance Plan, which will provide for the payment of \$40,000 to the beneficiary in case of the death of a participating employee. The Company will pay 100% of the cost for such plan.
 - B) An employee may elect to apply for Optional Life Insurance coverage in accordance with the terms and conditions of the Life Insurance Plan. Such optional life insurance will become effective after three (3) months of employment and shall be fully paid for by the employee.
 - C) An employee may elect to apply for Optional Dependent Life insurance to insure a spouse and each dependent child in accordance with the terms and conditions of the Life Insurance Plan. Such optional insurance shall be effective after three (3) months of employment and shall be fully paid for the employee.
- 14.05 **Dental Plan**
Upon the completion of three (3) months' employment an eligible employee will be enrolled in a Dental Plan which will provide dental benefits for employees and dependants. The Company will pay 100% of the premium of such plan.

**ARTICLE 15
SICK BENEFITS**

- 15.01 Eligible employees will receive Sickness, Disability and Rehabilitation Benefits in accordance with the terms and conditions outlined in the SDR Plan Text, a copy of which has been supplied to the Union. The SDR plan forms part of this Collective Agreement.
- 15.02 An employee will be eligible for Sickness, Disability and Rehabilitation Benefits after three (3) continuous months of employment.
- 15.03 The Company reserves the right to demand reasonable proof of illness before paying any benefits. The Company will reimburse the cost of any medical certificate requested.
- 15.04 An employee absent on account of illness or accident shall receive basic pay from the first day of absence. Sickness, Disability and Rehabilitation Benefits will be paid in accordance with the following schedule for any one illness or accident.

SERVICE

SDR BENEFIT

Less than one (1) year	Full pay for 2 weeks 66 2/3% after 2 weeks Nil pay after 26 weeks
1 year to 2 years	Full pay for 6 weeks 66 2/3% after 6 weeks
2 years to 4 years	Full pay after 8 weeks 66 2/3% after 8 weeks
4 years to 6 years	Full pay after 12 weeks 66 2/3 % after 12 weeks
6 years to 8 years	Full pay for 16 weeks 66 2/3% after 16 weeks
8 years to 10 years	Full pay for 20 weeks 66 2/3% after 20 weeks
10 years and over	Full pay for 26 weeks 66 2/3% after 26 weeks

ARTICLE 15
SICK BENEFITS (Continued)

- 15.05 The Cumulative Sick Pay Plan will cease to exist as of May 1, 1979 and accumulated benefits will be frozen and complied as of that date. An employee may use the appropriate percentage of accumulated benefits to supplement for each day of SDR Benefits, which is less than basic pay after the first twenty six (26) weeks of absence only.
- 15.06 An employee who is absent on account of illness or other causes must notify the Company as directed on the inside front cover of this agreement prior to the start of such absence or as soon as physically possible indicating the duration and nature of such absence. In the case of failure to so report, the absence will be considered to commence only from the time that proper notification is received for the purpose of computing sick benefits under Article 15.4. If the original notification reported the absence to be less than one (1) week and subsequently such absence is extended, notification shall be given to the Company of such extension as soon as it is-known. Employees must report progression of illness every seven (7) calendar days on an illness or disability extending over a period unless other notification is arranged with the employees' Supervisor.
- 15.07 An employee who is injured at work will receive a full days' pay for the day of the accident.
- 15.08 An employee receiving benefits under the terms of the Workplace Safety and Insurance Board benefits will receive an amount necessary to make up normal net pay.
- 15.09 Employees incapacitated by reason of advanced age or general impairment of health for the efficient performance of their regular duties may be placed in **any job** they are capable of filling, regardless of seniority, by mutual agreement of the parties to this Agreement. Employees thus ~~re-assigned~~ to a lower classification shall be red-circled.

**ARTICLE 16
ANNUAL VACATIONS**

- 16.01 Employees with less than one (1) years' service by December 24 will be entitled to one (1) day's vacation for each complete month of service computed to June 30, to be taken within the calendar year.
- 16.02 An employee will be entitled to two (2) weeks' vacation with pay upon completion of one (1) full year of service prior to December 24, and provided such vacation is taken in the year in which it is due less any vacation credits received.
- 16.03 Employees who shall have completed three (3) years or more service prior to December 24 in the year in which the vacation is due, shall receive three (3) week's vacation with pay.
- 16.04 Employees who shall have completed ten (10) years or more of service prior to December 24 of the year in which it is to be taken shall receive four (4) weeks vacation with pay
- 16.05 Employees who have completed eighteen (18) years or more service to December 24 of the year in which the vacation is to be taken shall receive five (5) weeks' vacation with pay.
- 16.06 Employees who have completed thirty (30) years or more service prior to December 24 in the year in which the vacation is to be taken shall receive six (6) weeks' vacation with pay.
- 16.07 Employees will receive two (2) weeks additional vacation in the year in which they retire.
- 16.08 Vacation pay shall be based on the employee's weekly pay, shift premiums being excluded except for those employees on a permanent shift.
- 16.09 All deductions normally made from an employee's regular pay shall be deducted from the employee's vacation pay.
- 16.10 The holiday schedule shall be arranged by groups with proper regard for seniority and providing for the continuous and efficient operation of the department.
- 16.11 For those who request and are eligible for, a minimum of two (2) weeks vacation will be granted in any year between May 15th and September 15th. A department may require vacation requests to be completed by March 1st. In these instances the vacation list will be posted by April 15.

ARTICLE 16
ANNUAL VACATIONS (Continue@

- 16.12 Employees who leave the Company's service before having received their annual vacation for the year in which they leave, will be paid vacations credits as follows:
- A) Less than one (1) year's service -four (4) percent of earnings from July 1 in the preceding year.
 - B) More than one (1) year's service but less than three (3) year's service -four (4) percent of earnings from July 1 in the preceding year.
 - C) Three (3) year's service or more – six (6) percent of earnings from July 1 in the preceding year.
 - D) Ten (10) year's service or more – eight (8) percent of earnings from July 1 in the preceding year.
 - E) Eighteen (18) year's service or more -ten (10) percent earnings from July 1 of the preceding year.

**ARTICLE 17
PUBLIC HOLIDAYS**

17.01 With respect to the following Holidays:

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

It is understood that employees, who have been employed for one (1) calendar month or more, shall receive a day off with pay for each of such holidays.

17.02 For time worked on a holiday recognized in this Agreement, an employee entitled to holiday pay shall receive double time for all hours worked, plus one days' holiday pay or a day in lieu thereof as determined by mutual agreement with their supervisor. Lieu days to be taken within one (1) year of the actual holiday. If not taken within one (1) year, the Company will designate a lieu day.

17.03 Employees "called out" to work on a holiday recognized in this Agreement will be paid a minimum of four (4) hours at double time for the first such "call out" on a holiday. Subsequent "call outs" on a holiday will be paid at double time for hours worked.

17.04 When any of the above listed holidays falls with/n an employees vacation period or scheduled day off, such employee shall be granted an alternate day off with pay, within twelve (12) months, at a time mutually agreed upon between the employee and the supervisor.

**ARTICLE 18
FLOATER DAYS**

- 18.01 The Company will recognize seven (7) days off at straight time in each contract year. These days will not be taken while on shift or standby. This restriction will not apply to permanent shifts.
- 18.02 Employees hired after the anniversary date in each contract year will be granted one (1) floater day for each seven (7) weeks of completed service.
- 18.03 These days to be arranged by mutual agreement between the employee and the supervisor.

**ARTICLE 19
LEAVE OF ABSENCE**

- 19.01 The Company may, at its discretion, grant a leave of absence with pay, to an employee for personal reasons.
- 19.02 Work and other operating conditions permitting, leave of absences not otherwise provided for will be given consideration. Such leave of absence are to be without pay and will be deemed temporary leaves of absence.
- 19.03 An employee when called for jury duty or subpoenaed as a witness shall be paid full salary.
- 19.04 The Company will grant leave of absence with pay to ex-servicepersons who wish to attend Remembrance Day services or may be participating in Remembrance Day ceremonies.
- 19.05 An employee shall be granted at the time of their marriage three (3) days off with pay, provided the employee has completed three (3) months or more continuous service. If because of legal, landlord or other requirements an employee is required to change residents on a working day, the Company co-operates by providing a day off with pay. One (1) day off with pay in a twelve (12) month period is allowed for this purpose.
- 19.06 An employee shall be granted a day off with pay in order to attend their Canadian citizenship proceedings.

**ARTICLE 20
BEREAVEMENT LEAVE**

- 20.1 An employee shall be allowed three (3) days with pay, if scheduled to work, in the event of death in the immediate family, i.e. brother, sister, spouse, parents, parent-in-law, child, son-in-law, daughter-in-law, grandparent, or grandchild or other relative living in the home of the employee. Time off shall not extend beyond two (2) days of the funeral.
- 20.2 Employees shall be allowed one (1) day off with pay for the purpose of attending the funeral of the employee's aunts, uncles, brother-in-law or sister-in-law.
- 20.3 At the Company's discretion, an employee shall be allowed one (1) day with pay where the deceased is not an immediate member of the family, but the relationship is close enough, and the attending circumstances such as to justify payment.

**ARTICLE 21
GENERAL CLAUSES**

- 21.01 Employees shall be supplied with replacement of necessary tools, worn out, broken or lost doing Company work, subject to the approval of the Manager of Operations.
- 21.02 Clothing destroyed or damaged by other than normal use in the course of employment shall be replaced or repaired by the Company. For those who have company issued clothing a cleaning allowance will be given.
- 21.03 New Construction employees working beyond the limits of a ten (10) km radius from their normal base of operations shall receive a travelling time allowance in the amount as specified in the Transportation Policy Manual for all kilometers beyond this radius, provided however, that the employee shall have started and/or quit at their regular starting or quitting time at the job location. If an employee is requested to work continuous with their regular working day beyond the normal quitting time at a job location, they shall be deemed to have complied with the intent of "regular quitting time" as outlined in this section.
- 21.04 Employees temporarily transferred from their normal base of operations to another shall receive travelling time allowances for such period. Any additional travel expenses shall be paid as per the Transportation Policy Manual.
- 21.05 Employees required to report at a regular starting time and place for a day's work, when conditions prevent work from being performed, shall receive a normal day's pay. Nothing in this section shall apply if and when employees are expressly ordered not to report to work. Nothing in this section shall apply under conditions where overtime rates are in effect.
- 21.06 Employees when working on mains suspended under bridges will be paid at the rate of time and one half, if the employees are required to climb ladders or scaffolding.
- 21.07 Supervisors shall not perform work normally performed by employees in the bargaining unit unless it is for either of the following reasons:
- A) When instructing, assisting or training employees.
 - B) When an emergency occurs and it is necessary for the supervisor to act for the safety of personnel, safety of equipment, and the continuation or prompt restoration of operation.
- 21.08 Non-consecutive fifteen (15) minute break period(s) shall be allowed to all employees on each shift.

ARTICLE 21

GENERAL CLAUSES (Continued)

- 21.09 All licenses or certifications required to perform their normal duties shall be reimbursed by the Company.
- 21.10 Where specific footwear is required by the Company as part of a uniform, the footwear will be provided by the Company.
- 21.11 The Company will grant an annual tool allowance of \$250.00 to Auto Mechanics payable the first week of May.

**ARTICLE 22
HOURS OF WORK**

- 22.01 With the exceptions listed in the shift addendum clerical hours of work shall be a basic thirty five (35) hours per week between Monday and Friday, seven (7) hours per day and one (1) hour for lunch. These hours will be arranged between 7:00AM and 7:00PM. Any changes to hours for incumbents shall only be done by mutual agreement between the Company and the employee. When the change is over thirty (30) days the Union will be notified in writing.
- 22.02 With the exceptions listed in the shift addendum operations hours of work shall be a basic forty (40) hours per week between Monday and Friday, eighth (8) hours per day and one half (1/2) hour for lunch. These hours will be arranged between 7:00AM and 6:00PM. Any changes to hours for incumbents shall only be done by mutual agreement between the Company and the employee. When the change is over thirty (30) days the Union will be notified in writing.
- 22.03 The Union recognizes the requirement of maintaining quality customer service and will endeavor to cooperate with shift adjustments when required.
- 22.05 Employees for reason of impairment of health may apply to be excused from shift work and/or callouts.

**ARTICLE 23
OVERTIME**

- 23.01 All employees whose basic work week is thirty-five (35) hours shall be paid overtime in excess of the regularly assigned hours in any one (1) day or one (1) week on the basis of the regular rate of pay (straight time) calculated on an hourly basis, for the first five (5) hours in a week and double time thereafter.
- 23.02 All employees whose basic work week is forty (40) hours or more shall be paid overtime in excess of the regularly assigned hours in any one (1) day or one (1) week at the rate of double time calculated on an hourly basis.
- 23.03 Shift premiums or change of routine premiums will not be applied when calculating overtime.
- 23.04 Employees who work outside their regular assigned hours in any one (1) day or outside their regularly assigned number of days in any one (1) week shall be paid for such time at the rate of double time. An employee working on regular day(s) off may request and be given equivalent time off without pay in lieu thereof.
- 23.05 Employees who are required to work three (3) or more consecutive hours will be allowed \$8.50 for a meal and for each successive four (4) hours overtime an additional \$8.50 for a meal.
- 23.06 Employees who work three and one half (3½) or more hours overtime that is not continuous with their regular work period will be allowed \$8.50 for a meal and for each successive four (4) hours overtime an additional \$8.50 for a meal.
- 23.07 Any employee called out after the regular scheduled day will be guaranteed a minimum of three (3) hours at the applicable rate. Employees called upon to work two (2) shifts in any twenty-four (24) hour period shall be paid at overtime rates for the second shift, unless the second shift is called for by their regular work schedule, in which case it shall be paid for at straight time.
- 23.08 Overtime work shall be evenly distributed among those normally performing the same kind of work as far as possible. Overtime work will be done on a voluntary basis as far as possible.
- 23.09 The Company shall make every effort to ensure that:
- A) An employee shall not be required to work in excess of eight (8) hours overtime continuous with his/her regular shift.
 - B) An employee will have eight (8) hours off between shifts.

ARTICLE 23
OVERTIME (Continued)

- 23.10 Employees "called out" to work will be paid an allowance for travelling time from leaving home to arriving on the job at the applicable overtime rate.
- 23.11 Employees temporarily transferred to another position will be governed by the regularly scheduled hours of work of the new position. Overtime rates will be paid only for those hours worked in excess of aforesaid schedule.
- 23.12 Employees may bank their overtime for future time off rather than receive monetary compensation according to the following guidelines. These are guidelines that may be amended with mutual agreement:
- A) Overtime banks will be calculated to the equivalent time earned for time off. The banked overtime shall not exceed twenty-four (24) hours at any given time.
 - B) Employees can request a maximum of one (1) working day off or a minimum of one half (1/2) a day.
 - C) Time off arrangements are by mutual agreement between the employee and the supervisor.
 - D) Supper money will be paid when entitled at the time the overtime is worked.
 - E) Payout of banked overtime will occur when an employee changes jobs, is terminated or the day prior to each contract anniversary of the collective agreement.

**ARTICLE 24
DISCIPLINARY ACTION**

- 24.01 An employee will not be disciplined in a manner involving a suspension of dismissal without a fair and impartial hearing at which the employee shall have the assistance of up to three (3) union representatives who shall be allowed to offer such arguments as they desire in defense of such employee. Union representatives will be given as much notice as is possible under the circumstances.
- 24.02 In the case where an employee is dismissed or suspended for cause, the Company shall, within two (2) working days notify the Union in writing, giving the reasons for such actions, their extent and intended duration.
- 24.03 An employee with seniority claiming unjust discharge or suspension may submit a grievance within seven (7) calendar days of the imposition of the discipline. Such grievance shall commence at Step 3 of the grievance procedure.
- 24.04 The Company and the Union by mutual agreement may waive the time limits provided in the above section.
- 24.05 If a reprimand or notation is placed on an employee's record the employee shall receive a copy of the reprimand or notation and the Union will be promptly notified.
- 24.06 A notation placed on an employees file shall be removed after two (2) years provided no further notations have been placed on the file.

**ARTICLE 25
GRIEVANCE PROCEDURE**

- 25.01 A grievance may arise only from a dispute concerning the interpretation, application or administration of alleged violation of this agreement. An earnest effort will be made on the part of both parties to settle such a grievance promptly through the following steps.
- 25.02 Step 1. If an employee has a grievance, the first step is to advise the appropriate supervisor within five (5) working days of the employee being aware of the act originating the grievance and if desired may have the assistance of a steward. If a settlement is not arrived at within three (3) working days the employee may proceed to the next step.
- 25.03 Step 2. The grievance will be submitted in written form to the employee's Supervisor by the employee and a Steward. The Supervisor will respond in writing within seven (7) working days.
- 25.04 Step 3. An appeal from that decision may be made in writing within seven (7) working days by the Union. Both parties agree that upon request by either party for a meeting that such a meeting shall take place within ten (10) working days. The Company will give its decision in writing within ten (10) working days after the date of such meeting. If the decision does not bring a satisfactory settlement of the grievance, either party may refer it to arbitration.
- 25.05 The Company and the Union by mutual agreement may waive the time limits provided in the above steps.
- 25.06 If the Company or the Union has a policy concerning an alleged violation of this Agreement, the complaint shall be lodged in writing starting at Step 3.

ARTICLE 26
ARBITRATION

- 26.01 Failing agreement through the above procedure, either party may then submit the matter to arbitration within a period of twenty (20) days.
- 26.02 A Board of Arbitration shall be composed of one (1) nominee of the Company, one (1) nominee of the Union, and a third person who shall act as Chairperson on the joint recommendation of the two (2) nominees. In the event of failure to agree upon a Chairperson an application shall be -made to the Minister of Labour for Ontario. Each party will bear the expense of its own nominee and the parties will jointly share the expenses, if any, of the Chairperson. No person may be appointed as an Arbitrator who has been involved in an attempt to negotiate or settle the grievance. It is agreed that the decision of the Board of Arbitration shall be final and binding upon the Company and the Union.
- 26.03 Should the Company and the Union agree, this provision shall not preclude the appointment of a single impartial arbitrator. Such arbitrator to be selected by mutual agreement of the parties.
- 26.04 It is agreed that the Board of Arbitration shall not have any authority or jurisdiction to alter this Agreement or to deal with any matter not covered by this Agreement.

**ARTICLE 27
RATES OF PAY**

27.01 Incentive Compensation

Recognizing the personal and overall contribution of employees to the success of the business, the parties to this Agreement agree to the introduction of an Incentive pay program, referred to as the Success Sharing program, for all employees beginning in fiscal year 1999.

27.02 Service Department

- A) Fitters in Training upon completion of their three-month (3) probationary period shall serve a further six (6) months during which time they shall have access to all the agreements except the grievance procedure. By mutual consent this further period may be extended another three (3) months.
- B) Fitters in Training will be required to qualify as a Second Class Fitter at the end of a twelve-month (12) period of training. Employees considered as unsatisfactory during this training period or unable to qualify as a Second Class fitter will be considered for other jobs available at the time and may be subject to lay-off without regard to seniority. An employee formerly a member of the bargaining unit who fails to complete the course will be entitled to apply their seniority to displace an employee firstly, in their previous job classification and secondly, to any other job classification in the department where the previous job classification is listed. The following paragraph does not apply to Fitters in Training.
- C) The promotion of an employee from one class to another after the indicated time allowance is to be conditional on an examination as to the fitness for promotion. The examination to be conducted by the Company. A Union observer shall be present during the field test phase of the examination. An employee ruled unfit for promotion is ineligible for a further examination for a period of ninety (90) days and a copy of the report shall be forwarded to the Union Secretary. If unsuccessful after the retest, an employee must wait a further nine (9) months before examination.

27.03 Measurement Department

A new employee shall be trained in all phases of meter repair work and shall have successfully demonstrated their ability before promotion to First Class Repairer, a First Class Repairer will receive the one (1) year rate of that category, Special Repairers limited to eight (8) people.

27.04 Construction and Maintenance Department

- A) A Labourer shall serve up to two (2) years within which period they shall be given a preliminary test to satisfy the Company of their ability to train as a Second Class Technician.

ARTICLE 27
RATES OF PAY (Continued)

- B) A Second Class Technician will normally serve no longer than two (2) years in this classification before becoming eligible for examination for promotion to First Class Gas Technician.
- C) The promotion of Second Class Gas Technician to First Class Gas Technician shall depend upon their ability to pass a test prepared by the Company. In the event of failure, they will be eligible for re-examination at the end of three (3) months and if unsuccessful a re-examination at the end of a further nine (9) month period.
- D) A Union observer may be present during the practical phase of examination from Second Class Gas Technician.
- E) A list of the employees ruled unfit for promotion shall be forwarded to the Union.

27.05 Treasury and Accounting Division

- A) The Company will post all Stockkeeper vacancies as Stockkeeper's Helpers and the successful applicant will remain in the Stockkeeper's Helper category for a period of one (1) year. The successful applicant's rate of pay will be at that of a Stockkeeper's Helper even when temporarily replacing a Stockkeeper during this one (1) year period.
- B) After one (1) year, if desired, the Stockkeeper's Helper will be given an opportunity to be tested for a Stockkeeper.
- C) A Helper failing the test prepared by the Company will be eligible for retest after three (3) months; if unsuccessful a subsequent test will be given after nine (9) months and if unsuccessful every twelve (12) months thereafter.
- D) The Company may post for qualified Stockkeepers in Peterborough and Georgian Bay. In the event that there are no successful applicants from within the Company, the Company will post for a Stockkeeper's Helper.

27.06 MBU

- A) The Company reserves the right to adjust commissions for Special Sales or designated Promotions.
- B) Full salary will refer to the previous year's commissions divided by the number of days worked plus basic pay.

**ARTICLE 27
RATES OF PAY (Continued)**

Formula: Commissions / (52x5)
Less
Vacation
Statutory holidays
Sickness
Compassionate leave
Workers compensation
Marriage leave
Bereavement leave
Jury Duty
Union Business leave
Time Not Employed

- C) Employees who had no days worked in the previous year will be paid the average full salary as per formula.
- D) Sales Representatives working at the National Home Show and the **Mississauga** Home Show shall receive forty (40) dollars per day for expenses.

27.07

General

- A) C&M Gas Technicians holding a no blo ticket shall receive a total premium of \$.50 per hour and \$.70 per hour for both acetylene and no blo tickets.
- B) Anyone using a sandblaster or a torch will be paid at least Second Class Gas Technician wages while so employed.
- C) When operating a vehicle equipped with a HIAB, qualified Helpers will be paid a premium of \$.85 per hour.
- D) An employee, while working as a Lead Hand, will be paid a premium of \$.50 per hour for the hours so worked. Such assignments are at the discretion of the Company and may be filled without regard to seniority.
- E) Since consolidation of all job categories and job rates, jobs identified may not be **utilized** in all units.
- F) The parties agree that new job categories created during the term of this Agreement will be discussed as to whether job progression will **apply**.

ARTICLE 27
RATES OF PAY (Continued)

27.08 Shift Premiums

- A) Local 975 Operations Unit
- | | | March 31,
1998 | March 28,
1999 |
|------------|--|-------------------|-------------------|
| Afternoons | 5.5% of Special Fitter Hourly Rate | \$1.27 | \$1.29 |
| Midnights | 8.0% of Special Fitter Hourly Rate | \$1.85 | \$1.87 |
| Saturdays | 16.5% of Special Fitter Hourly Rate | \$3.80 | \$3.87 |
| Sundays | Time and one half will be paid at the job rate for all regularly scheduled work with no additional shift premiums paid | | |
- B) Local 975 Clerical Unit
- | | |
|--|--------|
| Monday to Friday after 12:00 noon but before 5:00 p.m. | \$1.10 |
| Monday to Friday after 5:00 p.m. but before 6:00 a.m. | \$1.60 |
| For any shift on Saturday and/or Sunday | \$1.75 |
- C) Shift premiums at the applicable rates will be paid for all hours worked and for vacation, floaters, lieu days and **authorized** absence days for all permanent shift employees.

27.09 Local 975 Operations Unit Salary Schedule

<u>Job Title</u>	<u>Rate</u> 98-03-31	<u>Rate</u> 99-03-28
<u>Service Department</u>		
Special Fitter after 36 months	23.08	23.43
1st Class Fitter after 24 months	21.84	22.17
2nd Class Fitter after 12 months	20.26	20.56
Fitter in Training after 6 months	19.26	19.55
Fitter in Training to start	18.42	18.70
Fitter Trainee to start	15.45	15.68
G.I. Fitter	19.26	19.55
Helper	18.42	18.70

**ARTICLE 27
RATES OF PAY (Continued)**

<u>Job Title</u>	<u>Rate</u> 98-03-31	<u>Rate</u> 99-03-28
Special Repairer	22.93	23.27
Special Repairer to start	20.99	21.30
1st Class Repairer after 12 months	20.99	21.30
2nd Class Repairer after 6 months	19.88	20.18
3rd Class Repairer to start	19.03	19.32
Water Heater Tester	20.24	20.54
Utility Hand	19.83	20.13
Special Repairer - Reclamation	22.93	23.27
Spec. Field Meas. Hand after 24 months	22.92	23.26
1st Class Field Meas. Hand after 18 months	20.99	21.30
2nd Class Field Meas. Hand after 12 months	19.88	20.18
3rd Class Field Meas. Hand after 6 months	19.03	19.32
4th Class Field Meas. Hand to start	18.11	18.38
 <u>Mechanical Services Department</u>		
Auto Mechanic	23.08	23.43
Auto Mechanic Helper	19.18	19.47
Tire Hand	21.76	22.09
Garage Attendant	19.18	19.47
Automotive Stockkeeper	20.24	20.54
Utility Hand	19.83	20.13
Heavy Equipment Mechanic	23.55	23.90
 <u>Construction & Maintenance Department</u>		
Leak Surveyor	20.26	20.56
Leak Survey Tech in Training	16.87	17.12
Labourer	18.42	18.70
Labourer after 24 months	18.80	19.08
Temporary Labourer	18.42	18.70
Truck Driver	19.71	20.00
Oil Float Driver	23.55	23.90
Heavy Equipment Mechanic	23.55	23.90
Gas Technician - 1st Class	22.45	22.79
Gas Technician - 2nd Class	20.26	20.56
Gas Technician Welder	23.89	24.25
Pipeline Welder	23.79	24.15
Welder's Helper to start	18.42	18.70
Welder's Helper after 12 months	19.47	19.76
Training as a Welder	19.77	20.07
Night and Afternoon Repairer	22.45	22.79
Machine Operator	23.55	23.90
Equipment Maintainer	22.45	22.79

ARTICLE 27
RATES OF PAY (Continued)

<u>Job Title</u>	<u>Rate</u> 98-03-31	<u>Rate</u> 99-03-28
Machinist	23.08	23.43
Utility Hand – Reclamation	21.76	22.09
 <u>Stores Department</u>		
Stockkeeper	20.24	20.54
Stockkeeper's Helper	19.30	19.59
Appliance Adjuster and Tester	19.83	20.13
Appliance Repairer	21.20	21.52
Control Repairer	21.76	22.09
Truck Driver	19.71	20.01
Truck Driver's Helper	19.11	19.40
Shipper/Receiver to start	19.30	19.59
Shipper/Receiver	20.24	20.54
Yard/Stockkeeper	20.26	20.56
Warehouse Person/Truck Driver	20.24	20.54
Appliance Truck Driver Helper	19.11	19.40
Storeperson	20.24	20.54
 <u>Facilities Management Department</u>		
Utility Hand	19.83	20.13
Plant Maintenance Operator	23.08	23.43
Carpenter	23.08	23.43
Painter	23.08	23.43
Plumber	23.08	23.43
Electrician	23.08	23.43
Utility Hand Horticulturist	21.37	21.69
Utility Hand Stations	21.37	21.69
Building Maintenance Technician	23.08	23.43
 <u>Other</u>		
Student	15.69	15.93
Tracer Fitter	20.94	21.25
 <u>Meter Reading Department</u>		
Meter Reader to start	19.06	19.35
Meter Reader after 3 months	19.75	20.05
Meter Reader after 6 months	19.95	20.25
Meter Reader (Preferred Job)	19.95	20.25
Meter Reader/Collector	20.55	20.86

**ARTICLE 27
RATES OF PAY (Continued)**

27.09 Local 975 Clerical Unit Salary Schedule

<u>Salary Grade</u>	<u>Start Weekly</u> 98-03-29	<u>Mid Weekly</u> 98-03-29	<u>Top Weekly</u> 98-03-29
1	431.74	437.74	443.74
2	467.65	473.65	479.65
3	505.17	511.17	517.17
4	548.31	554.31	560.31
5	590.38	596.38	602.38
6	628.70	634.70	640.70
7	669.69	675.69	681.69
8	708.54	714.54	720.54
9	751.15	757.15	763.15
10	791.62	797.62	803.62
Training Courses			
Junior Trainees	467.65		602.38
Advanced Trainees	590.38		803.62
<u>Start Weekly</u> 99-03-28	<u>Mid Weekly</u> 99-03-28	<u>Top Weekly</u> 99-03-28	
1	438.39	444.39	450.39
2	464.84	480.84	486.84
3	512.82	518.92	524.92
4	556.71	562.71	568.71
5	599.14	605.14	611.14
6	638.31	644.31	650.31
7	679.91	685.91	691.91
8	719.34	725.34	731.34
9	762.59	768.59	774.59
10	803.67	809.67	815.67
Training Courses			
Junior Trainees	474.66		611.41
Advanced Trainees	599.23		815.67

ARTICLE 27
RATES OF PAY (Continued)

27.10 Retail Sales Representative

**Commissions
Structure**

Base Salary \$11,200

Commission	incentive % of Total Sales
15% of ESP	
4.5% of Fireplaces	\$600,000 – 799,999 = .4%
2.5% of BBQs	\$800,000 – 999,000 = .6%
3.0% of Whitegoods	\$1,000,000 + = .75%
2.5% of Installations	

- The Company reserves the right to adjust commissions for special sales or designated promotions

APPENDIX "A"
DEFINITION OF UNITS

The parties agree that Units will be defined as follows:

Niagara Unit

Central Operations/Clerical Unit - Service Territories

West Central

North Central

Georgian Bay

East Central

Metro Toronto

Eastern Unit

Appliance Merchandising Unit - Store Representatives

Posting procedures currently in existence will remain for all units.

Shift Addendum

All shift schedules currently in place will remain in affect for the duration of this Agreement.

A shift schedule may be altered to accommodate requirements of the business or personal needs of the employees if changed by mutual agreement

**LETTER OF UNDERSTANDING #1
RECOGNITION CLAUSE**

The Consumers' Gas Company Ltd. hereinafter referred to as the Company recognizes the Communications, Energy and Paper-workers Union Local 975, hereinafter referred to as the Union, as the sole bargaining agent in the current franchise area covered by Consumers Gas. In the event of these boundaries being extended this Agreement will apply only if there is no existing collective agreement. The following groups of employees are covered by the terms of the collective agreement.

All clerical and laboratory employees, save and except Niagara Region non operating employees, supervisors, those above the rank, residential/commercial sales associates, energy management consultants, account associates, secretaries to department managers, those above that rank, those employees in the Human Resource, Budget, Regulatory Affairs and Corporate Affairs departments, and clerical persons who normally work twenty-four (24) hours per week or less in the Central Region of Enbridge Consumers Gas.

Appliance sales representatives working in locations currently (as of 98-01-01) represented by CEP Local 975 save and except supervisors and those above that rank.

All operations employees save and except supervisors, those above that rank and those working out of the Grimsby office.

LETTER OF UNDERSTANDING #2
RECONFIGURATION OF COLLECTIVE AGREEMENTS

The parties, through a new innovative approach, resolved a long standing issue dealing with the reconfiguration of our Collective Agreements.

Our signatures below indicate our intent to create a master Agreement, with sub-sections representing the uniqueness of the current lines of business:

Distribution Operations

Retail Sales and Services'

Appliance Merchandising

Customer Support Services

Finance and General Administration

that will govern the working relationship of employees currently covered by Agreements between Local 975 and the Company.

**LETTER OF UNDERSTANDING #3
SHIFT AND HOURS OF WORK**

The parties agree to meet following ratification to discuss, for the purposes of evaluating existing shift schedules and hours of work schedules, to create a shift addendum for all of Local 975. Previously negotiated arrangements in former Local 001, 513, 514, 517 and 6720 will remain in effect for the duration of this Agreement.

**LETTER OF UNDERSTANDING #4
INCENTIVE COMPENSATION PROPOSAL**

The parties agree to the creation of an incentive compensation program, referred to as the Success Sharing Program, to be introduced October 1, 1998 for the 1999 fiscal year. The incentives will be paid to those non-temporary employees on payroll as at October 1, 1999 in January of the following year, based on the achievement of corporate targets established at the beginning of each fiscal year.

During the term of this Agreement, x% of base income will be paid to employees in January 2000 if corporate targets are achieved.. Over or underachievement of the targets will result in a payout range from x% (achieving threshold targets) to x% (exceeding targets). If threshold targets are not met, no payout will be made. The payout will be based on the employees rate as of October 1, 1999. Employees hired during fiscal 1999 will have their payment pro-rated for partial and total months work during fiscal 1999.

Corporate targets will be established in the areas of financial performance (cost and revenue), safety, customer satisfaction and employee contribution (as measured through an employee survey index). All corporate targets will be aligned with the corporate targets that are included in incentive programs for the Company's senior managers and supervisory staff.

In addition, the parties agree in principle to supplement corporate targets with business unit targets commencing in October 1999 for the fiscal 2000 year. In order to facilitate enhanced understanding of, and comfort with business unit targets, the parties agree to the implementation of "shadow incentives" as part of the five (5) pilot programs outlined in the Letter of Understanding entitled "Pilots???". This "shadow incentive" program will not actually pay out in fiscal 1999 but will include agreement on business unit measures, reporting of progress against measures, and a demonstration of what the incentive program would have paid out if corporate and business unit targets are utilized.

**LETTER OF UNDERSTANDING #5
PILOTS**

The transformation of the workplace into a design that creates a high performing work environment is critical for both the Company and its **employees** as we move into a competitive environment. During the **IBN** process we have experienced fruitful discussions and identified many mutual interests that will assist in the **organizational** and personal success that both the Company and the Union agree it is the imperative of these negotiations.

Workplace design and effectiveness are critical to the Company's future. The key elements/principles of workplace design are:

- Job Requirements/Expectations
- Selection Process
- Training and Development
- Performance Measures and Management
- Occupational Health and Safety
- Compensation as a reward for success
- Operating Philosophies and Practices

The implementation of these key elements must be done utilizing the principles of the Involvement Philosophy and change management process that was endorsed by both parties.

Both the Company and the Union **realize** that creating a competitive high performing work environment through these elements/principles cannot be accomplished by a single unilateral act by either party. Therefore it is recommended that a minimum of five (5) pilot projects aimed at replicating now how we will operate in the future be initiated immediately. These pilots will be broad to scope to assist us in **transitioning** to a new operating model.

The pilots will be conducted in the following Business units:

Retail Sales and Service	3
Call Centre	1
Distribution Operations	1

LETTER OF UNDERSTANDING #5 PILOTS (Continued)

The pilots will encompass but not be limited to the following issues:

- Identify new progression jobs
- Review shifts
- Review hours of work in light of customer needs
- Program to provide additional employee compensation for revenue generating sales
- Hours of operation that meet customer and business needs
- New positions to be hired at market rates for skills required
- Enhance ability to utilize seasonal workforce
- Number of employees on time-off at a specific time as a % of workforce required
- Seasonal Shifts and Hours of work
- Use of part-time employees to meet customer demands
- Compensation to be determined for new skills of existing employees
- Training/development/progression of new positions and employees
- Customer feedback as one of the measures of our success
- Design of incentive programs that communicate business unit measures
- Cost drivers
- Selling, maintaining, installing everything we do
- Moving to a 40 hour work week
- % of hiring for positions locally
- SPIFFS
- Development of customer survey to provide feedback to fitters on completed calls
- Sale of goods and services not presently offered by the Company including the sale and installation of air conditioners.

The pilots will be designed to achieve the following overarching goals:

Retail Services:

“To transform Retail Services from a cost centre, that manager to budgets, to a revenue generation **organization** that focuses on profits, with rates of return that will result in successful unbundling and the ongoing prosperity of the **organization**. The prosperity will lead to employee, customer and **organizational** growth.”

Call Centre:

“Both the Company and the Union agree that having a competitive and effective Call Centre is critical to its future growth and success. To this end the parties have agreed to undertake a pilot aimed at **implementing** new approaches that will significantly improve the competitiveness of the Call Centre. During the term of this Agreement the parties have agreed to target 10% per year improvement in performance.”

LETTER OF UNDERSTANDING #5 PILOTS (Continued)

Distribution Operations:

“To create a high performing work environment that will ensure our success under Performance Based Regulation (PBR). Under PBR we will need to achieve continuous cost/productivity improvement while maintaining high standards in safety, quality and customer satisfaction.”

in keeping with the Involvement Philosophy, each pilot will be conducted in partnership with the Union. The pilots will use the joint problem solving approach used in the IBN process to identify interests and resolve issues. Each pilot will have a joint Union Management Steering Committee to be determined by May 31, 1998.

The mandate of the Steering Committee will be to:

Assume key accountability and ownership of the outcome of the pilots,

Identify critical success factors and performance indicators that will measure success of the pilots.

Provide resources and set overall priorities for the pilots.

Facilitate the implementation of the results and lessons learned from the pilots to all areas of the Company that will be positively impacted by the pilot learnings.

The pilots will commence no later than September 15, 1998 and be conducted for a minimum of six (6) months but will not exceed twelve (12) months in duration.

LETTER OF UNDERSTANDING #6
UNBUNDLING - COLLECTIVE AGREEMENT AMENDMENT

In order to ensure a smooth transition of employees through the unbundling process, the parties hereby agree that six (6) months prior to the unbundling date the Collective Agreement will be reviewed and amended as required to resolve the following' issues:

Transfer of employees to the new unregulated entity(ies)

Re-location of employees

Severance Pay

Re-alignment of vacation schedules if required

Hours of work and shifts

OH&S Committee Structure

Re-deployment/retraining of employees if necessary

The Union commits to dedicate appropriate resources to this extremely important initiative. The list may be augmented with issues that are mutually agreed to by both parties.

**LETTER OF UNDERSTANDING # 7
GROWING THE BUSINESS**

The Company is committed to successfully growing it's competitive sales and services business with our own employees in our franchise area. Inherent in this commitment is the belief that providing exceptional customer service is critical to our success and that the most effective way to deliver this service is through dedicated and enthusiastic employees who are personally committed to our service goals and values.

**LETTER OF UNDERSTANDING #8
EMPLOYEE SECURITY**

The Company will continually need to change in order to pro-actively respond to changes in our business environment. The Company *recognizes* that these changes impact employees and are committed to working with the Union to assist employees to adapt to these changes and to provide them with enhanced personal security. The Company *recognizes* that enhancing personal security facilitates enhanced employee contribution and satisfaction.

This commitment includes but is not limited to: providing timely and full information on anticipated and planned changes; providing access for all employees to training which assists them in dealing with change (Employee Workshop on Organizational Change) and in career planning (Navigating Your Future); redeployment processes to ensure best efforts are made to move employees whose positions have been eliminated into new roles; severance for employees whose jobs have been eliminated and for whom no redeployment option is available, and access to training to assist in future job search if required.

**LETTER OF UNDERSTANDING #9
SALES INCENTIVE PROGRAM**

In order to stimulate Company growth and to recognize employees for their contribution to Company Sales, the Company is introducing a Sales Incentive Program for all employees during the contract term.

Payment will be made for each sales lead that will result in a completed sale during promotional periods, Product and services promoted under the Sales Incentive Program will include, but may not be limited to such items as H.I.P. contracts, fireplaces and white goods and home renovation.

The Union will be informed of all promotional periods and the rate of payment will be jointly developed by the Union and Management..

The Union and Management will form a joint committee to oversee the fair and equitable management of the Sales Incentive Program. It will commit to implementing the Sales Incentive Program by September 1998.

**LETTER OF UNDERSTANDING #10
FULL TIME OFFICER(S)**

The Company recognizes the Local Union shall require a full-time officer paid for by the Company. The salary of which will be paid for at the rate of 90% by the Company and 10% by the Local Union.

In addition, the Company recognizing the amount of change that has taken place and the anticipated demands on union representatives. It is agreed that the Company will acknowledge a second full time officer paid for at the rate of 90% by the Company and 10% by the Local Union.

It was agreed that one full-time officer would be from the Operations group and the other from the Clerical group, to act in the capacity of transition partner for the term of this Agreement.

**LETTER OF UNDERSTANDING #1 1
PHILOSOPHY STATEMENTS**

Performance Management

One of managements' major responsibilities is to create a high performing organization that **maximizes** the potential and contribution of every employee. Achieving this will require an **effective Performance Management** system for employee selection, ongoing feedback and evaluation, and development that is seen by employees as fair and unbiased.

The objective of the selection process will be to ensure that people with the necessary skills and **competencies** are selected from the outset. The job expectations, skills and **competencies** including 'soft skills' required for each job will be described in job profiles.

The objective of the ongoing feedback and evaluation process will be to ensure that employees understand job expectations and receive coaching feed-back on their performance. Job expectations will be linked to Business Unit objectives and ultimately to customer expectations. The process will include agreed upon measures of employee performance. Appropriate coaching and training will also be part of the process to help employees be successful and to identify problems early. There will be a clear process for resolving situations where an employee is not able to meet job expectations.

The objective of the development process will be to ensure that there will be ongoing training and development to help employees expand their skills and **competencies** to excel in current jobs and progress to fill new opportunities as they arise.

Business Imperative For Involvement

We, the Union and Management, jointly **recognize** that the future success of our business is tied directly to the individual and collective actions of our employees. To be successful in a rapidly changing environment, we will need all employees to take personal accountability for helping us identify how we need to change and for implementing the changes that need to be made. If we are successful in focusing the knowledge, commitment and contribution of all employees to making changes we will succeed against the competition.

Beliefs About Involvement

We believe that employees at all levels of our company have valuable insights to contribute to our change efforts and that through involving them and their union in the Company's change process we will make better decisions and achieve a higher rate of implementation success. We further believe that employees want to contribute to making our company successful.

We **recognize** that employees who understand the rationale for change, the vision for the future, and who are involved in defining the path to get there are more likely

LETTER OF UNDERSTANDING #11 - PHILOSOPHY STATEMENTS (Continued)

to support the changes, than those who were not involved. We further believe that investing in involvement at the beginning of the change process will result in less investment at the end of the process in overcoming resistance to the changes.

We recognize that in the current business environment we must have the **organization** capability to make sound change decisions quickly and then execute them quickly. Our involvement processes must facilitate the achievement of both of these objectives. This will require us to design and implement a variety of involvement approaches that reflect the scope and impact of the changes that need to be made,.,

Beliefs About Work Environment That Facilitate Involvement

We recognize that to **maximize** employee involvement and contribution we must be relentless in creating a work environment where:

- Business information is shared with employees at all levels
- The potential of all employees is **recognized**, stimulated and developed
- Ideas are valued
- Collaboration, trust and mutual respect are fostered
- Individual and group successes are celebrated

Results Of An Involvement Strategy

Involvement processes create opportunities for employees to take personal accountability for contributing to the success of the **organization**.

By involving all employees and their union in our change processes we will increase employee resilience to change and their confidence that all future changes can be successfully navigated. We will also allow opportunities for employees to create a better work experience for themselves. This, in turn, will create a workforce that is **energized**, personally committed to contributing to our collective success and fulfilled by their contribution to this success.

Learning and Development

The parties have identified a common interest in developing a learning strategy that will ensure the economic viability of both employees and the Company **by** working in a co-operative manner while taking into account the interests of all stakeholders.

Whereas employees respond differently to certain situations, the broadest possible platform for learning must be established so that they can feel the highest degree of security as they undergo training for the jobs of the future. At the same time and not exclusively, the Company must be able to **maximize** the return on their investment in training that is tied to solving business issues.

Continuous learning can be viewed as a requirement under two distinct situations. Firstly, ongoing enhancement of skills and **competencies** that are directly required to perform the tasks associated with current jobs and **recognizing** that tasks and skills

LETTER OF UNDERSTANDING #11 - PHILOSOPHY STATEMENTS (Continued)

continuously evolve. Secondly and whereas it is agreed that learning is a life long experience, there is the development of skills that enhance and employee's future employability and their personal need for growth. The employee and the Company have a shared accountability for achieving success in both areas.

In the first scenario, each business unit will create an atmosphere for learning through a strategic training plan and will ensure that quality training is made available to all employees on company time and at company expense. Further, this training will be viewed as part of a development process and as such, measures will be put in place to gauge it's effectiveness. Employees caught up in the changing nature of the workplace will, whenever possible, receive retraining as part of an overall redeployment strategy.

In the second scenario, it is expected that employees will upgrade work-related skills and personal development at their own pace. This may include courses, seminars or other learning methods for which they receive financial support only. It is recognized that in not all cases will the new skills enhance an employee's progression in the company, but where relevant, they will be given consideration through in-house recruiting opportunities.

This philosophy statement is designed to set guidelines for the timely and effective delivery of training. When formally agreed to, each business unit should communicate this philosophy to all employees and take steps to ensure equitable access. It's application must be taken in context with the dialogue and agreed to points of interest as expressed by the parties at their meetings on October 23rd & 24th, 1997.

Health & Safety

The Company and the Union understand that it is imperative to resolve issues regarding Health and Safety so that all relevant factors may be considered with as little time delay as possible.

The parties therefore agree that during the term of this Agreement they will jointly develop a procedure to achieve this goal and that the agreed to procedure will form part of the collective agreement and will be included in future renewals.

**LETTER OF UNDERSTANDING #12
WORK OUTSIDE OF PROVINCE OF ONTARIO**

Local 6720 and the Company agree to continue to discuss and attempt to resolve the problems that may be involved when Local 6720 members do work outside of Ontario but still within the gas distribution system.

In addition, the following conditions are agreed to:

1. Such work will be kept to a minimum.
2. Any employee conducting such work still has all rights to the Local 6720 Agreement.
3. The Company assumes liability for safety infractions where the employee is following the Company and/or Ontario safety regulations.
4. The Company assumes the liability for any fines and/or penalties incurred by an employee while following the instruction of the supervisor of the work.
5. Individual preference will be considered and wherever possible respected in assigning work outside the Province of Ontario.
6. This Agreement is subject to further discussions or cancellation under a 13.1 meeting.

**LETTER OF UNDERSTANDING # 13
WORKING HOURS - NIAGARA:**

It is mutually agreed that in order to render adequate service to the public and to provide a maximum amount of steady employment for regular employees, the Company shall be free to fix the hours, kind of work and working time for each employee, subject, however, to certain rules as set forth in the following letter.

All shifts will be posted at least five (5) days in advance and overtime premium will be paid at the rate of time and one half (1½) for hours worked outside of posted shifts if less than forty-eight (48) hours notice of change of shift is given. Overtime premium will not apply if the change is made at the employee's request. Employees whose schedule is changed due to the provisions in this paragraph will not be required to work a split shift.

Commitment to Resolve Shift/Vacation Conflict

When an employee is unable to resolve a conflict between his/her shift schedule and vacation request, the Company will make the final decision. This adjustment will be exercised a maximum of once per year and will not circumvent Article 16 of the Agreement.

**LETTER OF UNDERSTANDING #14
TESTING**

The parties agree to work cooperatively to develop testing criteria that are consistent, relevant, valid and form part of a comprehensive job selection process.

LETTER OF UNDERSTANDING #15
RELIGIOUS HOLIDAYS

The Company and the Union **recognize** and value the diversity of our workforce. In order to accommodate an employee's personal religious beliefs, the employee should make their wishes known to their supervisor, with as much notice as possible, so that they can review all available options (i.e. Floater days / Vacation / Alternate work times etc.) so as they meet the employee's needs.

**LETTER OF UNDERSTANDING #16
OVERTIME AND SUPERVISORS DOING BARGAINING UNIT WORK**

- A) Employees should be asked or requested to work overtime hours before a decision is made to make requests mandatory
- B) The Company agrees to accommodate those individuals, whenever possible, who request to work designated company holidays
- C) As bargaining unit work is not included in supervisory job descriptions, supervisors must use discretion and good judgement wherever circumstances require them to perform such functions

**LETTER OF UNDERSTANDING #17
LEAD HANDS**

A Lead Hand is an employee who temporarily assumes the duties of a supervisor. The Lead Hand rate also applies to members assigned to specific training positions. It is further agreed that such assignments will not include training contractor personnel or supervisory dispatchers or quality control functions. Lead Hands may be required to distribute work and answer questions. They will not be asked to conduct performance appraisals or handle disciplinary matters.

Only an employee who desires a Lead Hand opportunity will be considered for the position. The opportunity will be posted in all offices and stations to ensure Local 975 memberships are aware of the volunteer concept. The Company will review the capabilities of those who express an interest

Employees agreeing to take a Lead Hand assignment will not be required to change shifts, and other Local 975 employees will not experience shift changes due to someone else being made Lead Hand.

The Company will notify the Union of all Lead Hand assignments exceeding one-month (1) duration. For assignments expected to exceed three (3) months in a twelve-month (12) period, the Company and the Union must be in mutual agreement. Training positions will not exceed six months without mutual agreement.

**LETTER OF UNDERSTANDING # 18
TECHNICAL DESK POSITION**

Fitters working on the Technical Desk will not be designated as Lead Hands and will therefore not receive the Lead Hand rate. Assignments to the Technical Desk will not normally exceed three (3) months, and will be voluntary. No shift change will be required.

As a first option, Technical Desk positions will be filled by supervisors or fitters with medical conditions, which prevent them from being able to perform their normal duties. If a full-time Technical Desk position becomes available in the future, the Company may post the position as supervisory

LETTER OF UNDERSTANDING #19
BROCKVILLE

Regarding the remaining Local 001 employees in Brockville

- Their seniority can be used for postings in Brockville
- They will be stationed out of Brockville unless they volunteer to do otherwise (i.e. through the posting procedure)
- Situations where different pay-benefits apply to a combined Local 001 and Local 6720 crew will be reviewed on a individual basis
- Whenever possible, these individuals will work in the Brockville area

**LETTER OF UNDERSTANDING #20
TEMPORARY RE-ASSIGNMENT OF C&M EMPLOYEES**

From time to time the Company is required to perform C&M work outside the hours of the regular day shift. Because it is not practicable at this time to set up new shifts to do this work, the Company requires that employees temporarily change their hours of work so that the work can be completed on a timely and cost effective basis. The Union recognizes the need of its C&M day shift crews on an "as needed" basis, and that for the first eight (8) hours per day of these rearranged hours, employees agreeing to change hours will be paid at straight time.

- The Union executive and the involved employee will be given as much notice as possible of the impending schedule change
- For the purpose of Article twenty three (23) the re-assigned hours will be considered "regular hours" for the duration of the reassignment. Overtime clauses will apply accordingly.