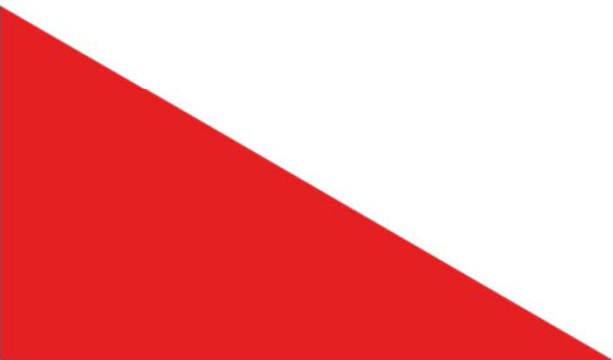




Tentative Contract Agreement Between Nicor Gas Company and IBEW Local 19

Physical

Subject to ratification by the membership



Nicor Gas / Local 19 Tentative Agreement



- This summary provides an overview of key terms and changes that the Company and the Union have tentatively reached through collective bargaining.
- Both parties support the terms of this tentative agreement.

Management Committee Members

Pat Loftus, Pat Whiteside, Kip Hildebrand, Vida Hotchkiss, Bruce Jones, Raul Torres, Dean Washington, Scot Koif, Stephanie Holmes, Kari Moore

Union Committee Members

Chris Harris, Al Talkington, Terry Haggerty, Mark Klinefelter, Andy Nacke

Nicor Gas / Local 19 Tentative Agreement



- Term of Agreement - 3 Years
- March 1, 2017 to February 29, 2020
- Wages
 - Annual 3% increase
 - Retroactive to March 1, 2017
- Timekeeping – Work week will begin and end at midnight, Friday night.
- For vacation purposes, a calendar week shall begin and end at midnight, Friday night.
- Employees added to the payroll after August 1st are not eligible for floating holidays during that calendar year.
- Payroll deductions for an employee's personal utility bill will no longer be made.

Nicor Gas / Local 19 Tentative Agreement



Miscellaneous

- Meal allowance increase to \$10.00
- The Christmas Eve holiday will be celebrated on December 23rd in the calendar years when Christmas Day falls on either a Saturday or a Sunday and December 26th when Christmas Day falls on a Monday.
- Meter Reading Shoe Allowance of \$50.00 – not to exceed \$100 annually.
- Per diem allowances increased as follows:
 - Day of departure \$40
 - Day of return \$40
 - All other days away from Home \$50
 - Departure/return day >2 hours from Reg. shift \$50

Nicor Gas / Local 19 Tentative Agreement



Overtime

- Overtime (Article IV § 13) - Overtime will accrued after 8 or 10 hours of the regular work schedule, and after 40 hours in a work week.
- Rest Period (Article IV §18)– If an employee is entitled to a rest period, and the employee’s required worktime under this provision extends into his/her next basic workday, the employee will be paid at his/her normal overtime rate until released for the rest period.

Overtime equalization

- An employee who was bypassed for overtime will be given one opportunity to work the equivalent number of hours that was worked.
- If the first bypassed employee declines the make up overtime, the remaining bypassed employee(s) will be asked in the order of low overtime until someone accepts the make up time, or all employees who were skipped have been asked.

Employee Relations Policies



- Bereavement time off amended to include step-child, step-parent, and domestic partner.
- Employees will be eligible for the same SCG Parental Leave Policy (80 hours), Adoption Leave Policy (12 weeks), Adoption Reimbursement Policy, and the Maternity Leave Policy (12 weeks) as any other Illinois based non-union employee.
- Unless required by law, medical appointments scheduled during working hours will be unpaid, unless the employee requests to use available paid time off and such paid time off is approved, consistent with applicable paid time off procedures.
- Beginning March 1, 2017, employees with disciplinary suspensions in the last 12 months or with last chance agreements issued in the last 12 months are ineligible for promotion.

Disciplinary Policy



Generally, disciplinary action will follow the following progressive steps:

Verbal Warning for a first offense;
Written Warning for a second offense;
Suspension (up to 1 day) for a third offense;
Suspension (up to 3 days) for a fourth offense;
Suspension (up to 10 days) for a fifth offense;
Termination for a sixth offense.

- Incidents warranting discipline need not be of similar nature to justify moving through the progressive disciplinary process
- There may be circumstances in which one or more disciplinary steps are bypassed, depending on the nature of the offense and the number of occurrences.
- Certain types of offenses may result in immediate termination of employment
- All active discipline other than last chance agreements, discipline for specific offenses, and suspensions issued after March 1, 2017, will be considered inactive for purposes of progressive disciplinary action.

General Items - Physical



Training / Certification

- Training and certification periods have been combined into one time period for each classification
- Added clarity for classifications requiring CDL training (Distribution Technician, DPO, Distribution Mechanic, DPL)

Overtime List

- The Morris and Joliet overtime lists will be combined as soon as practical.

Upgrade Provisions



Article VII, § 3:

- Employees who have accepted a promotion and have been released to begin their formal training period will not be eligible for upgrade pay at any time during the duration of their training period or prior to their successful certification to the higher job classification.
 - Employees assigned by the company to lead a crew, or to be a Lead Person, remain eligible for upgrade under this article.

Article VII, § 9:

- Employees accepting promotions will receive an increase to the minimum rate of pay for the promotional job classification upon certification.

Employee Uniforms



Uniforms will be required to be worn in the following departments.

- **Group A**

- Field Operations
- System Operations
- Construction Operations
- Asset Protection
- Transmission
- Field Collectors

- **Group B**

- Service Representatives
- Inventory Management
- Meter Shop
- Facilities
- Storage

- Uniform items include shirts, pants, jackets, coats
- Group A: Start up credit of \$700 in 2017; \$500 each subsequent year
- Group B: Start up credit of \$300 in 2017; \$200 each subsequent year
- Annual uniform allowance to be awarded mid year (June)
- The allowance is only good for 120 days and all unused dollars will be forfeited.
- Employees will be required to purchase uniforms with their own money if their allowance dollars are forfeited.

Employee Uniforms



- Employees are responsible for the care and laundering of the uniform components
- Employees are responsible for replacing any lost, stolen, or damaged uniform components
- Uniforms must be kept clean and neat in appearance.
- Employees shall not wear any additional item(s) on the Company uniform.
- Employees are prohibited from modifying Company logos on their uniforms.
 - Some limited articles of clothing will include the IBEW Local 19 logo.
- Employees are not allowed to wear the Company uniforms outside of normal working hours with the exception of after hours work events.

AMR / AMI



In connection with the establishment of AMR/AMI, the Company will create a new entry level Field Operations AMR/AMI Utility Specialist classification (“Utility Specialist”).

The general job duties of a Utility Specialist shall include...

- Read Meters
- Change batteries (ERT)
- Change ERTs
- Atmospheric Corrosion Checks
- Corrosion Pipe to Soil Reads
- Direct Observations
- Turn Offs
- Inside Leak Surveys
- Leak Survey
- Painting
- Special Meter Reads/Verifications

AMR / AMI - Continued



- The Utility Specialist job classification shall be the equivalent of the leak survey specialist job classification
- The Company shall advise the Union when the Meter Reader/Helper job classification no longer exists. Should the Company decide to eliminate the Utility Specialist job classification, it may replace it with another entry level classification.

Self Contained Breathing Apparatus



Employees who promote or transfer into the following job classifications will be required to obtain and maintain S.C.B.A certification as a job requirement.

Field Operations Distribution:

- Crew Leader Arc Welder
- Technician Mechanic

System Operations (including Transmission):

- Sr. System Specialist (S5)
- System Specialist (S4)
- Sr. System Controller (S3)
- System Controller (S2)

Storage:

- Crew Leader Technician
- Arc Welder Mechanic

Self Contained Breathing Apparatus



- Failure to certify and or remain certified shall result in disqualification from the job classification.
 - Reasonable accommodations will made for medically verifiable reasons, and in such cases not result in disqualification from the job classification.
- Employees already in the previously mentioned job classifications prior to ratification of this CBA must make a good-faith effort to become certified to use a self-contained breathing apparatus at the next available certification opportunity, as determined by the Company, and must remain certified thereafter.
- Reasonable accommodations will be made as necessary in accordance with applicable law(s).

Risk Based Drive Cam Program



- Meter Reading, Utility Specialists, and all Helpers: 100% deployment and unlimited duration.
- Any newly promoted employee or an employee who is newly assigned to driving a Company vehicle will be assigned a Drive-Cam for 12 months.
- Any employee determined to have been at-fault for a motor vehicle accident will be assigned a Drive-Cam for 12 months from the date of the accident.
- Any employee who receives a vehicle safety related discipline of Written or above will be assigned a Drive-Cam device for up to 12 months.
- Any employee who receives a “Red Light” camera violation will be assigned a Drive-Cam device for 12 months.
- Any employee who has more than 1 at-fault motor vehicle accident within a rolling five (5) year calendar period of time will be assigned a Drive-Cam device until such time as they go 36 months without a subsequent vehicle safety violation.

Dedicated Standby - Physical



- Employees who are on dedicated standby shall carry and respond to an activated pager or cell phone at all times outside of their regularly scheduled working hours for emergency response calls.
- Employees will receive \$75 for each Company holiday standby assignment and \$50 per day for all other days of the year in which they are assigned designated standby.
- If an employee who is on dedicated standby does not respond to the call out, the employee will be subject to disciplinary action and will forfeit the associated stand by pay for that day.
- At the Company's discretion, dedicated standby assignments will be filled on either a voluntary basis or on a rotational basis.
- The Company will maintain a minimum of four Field Operations delivery crews on dedicated standby outside of any normal shift schedules.

Dedicated Standby - Physical



- The Company will notify employees of their dedicated standby assignment at least one (1) week prior to the beginning of that assignment, except in cases of emergency. Most standby assignments will be for (7) days but the company reserves the right to change in accordance with business needs.
- Employees may switch their dedicated standby assignment with other employees in the same job classification and the same location, as long as the employees provide 48-hours-notice with supervisor approval.
- Employees who are on approved absence will not be eligible for dedicated standby. If an employee on dedicated standby becomes unavailable, the Company will determine how or if the assignment will be filled.
- The Company reserves the right to contact employees on the dedicated standby list prior to following the standard overtime call out procedures.

Lines of Promotion and Demotion- Physical



- Most all of the physical lines of promotion and demotion have been opened up below the “Technician” level (fewer silos).
- Storage remains a closed department at the Mechanic level and above.
- Helpers eliminated in Storage, entry level will be Utility Specialist.
- Material Handling closed to Helper laterals.
- System Operations closed at the S3 level, S3 open to Mechanics. S1 and S2 are open.
- Existing System Operations employees “circled” and will be asked first for promotion for the duration of the agreement before opening up to other employees.
- System Operations maintains 10% of total workforce at S5 level for duration of agreement.
- The company will maintain 200 Operations and Sr. Operations Mechanics for the duration of the agreement.

Operations Technicians



The Company will create and maintain ten (10) Operations Technicians for the duration of the CBA, in addition to the existing four (4) Operations Technicians.

Examples of added responsibilities are:

- Setting/observing/removing system charts
- Leak repair by standard process and by utilizing anaerobic sealant
- Fixed Factors
- Differentials
- System valve inspections
- Single regulator commercial industrial inspections (excludes Rockwell 243 and Fisher 99 regulators)
- TC Head exchange and maintenance
- On the job mentoring of Operations employees

Operations Technicians - Continued



- The Company will offer System Operations employees from the reporting center where the overtime work is being performed the opportunity to work overtime first, except when such overtime work is incidental to the Operations Technicians' entire day of planned overtime.
- Excluded from such overtime work opportunities are (1) incidental overtime job assignments; and (2) incidental extended day job assignments, when an Operations Technician works overtime during his/her regular schedule.
- An Operations Technician will not be called out to perform the responsibilities referenced above until all eligible System Operations employees have been offered the overtime opportunity first, consistent with existing call out practice.
- The Company will not upgrade or assign Operations Mechanics to perform Operations Technicians work referenced above.
- The Company agrees to maintain eighty (80) System Operations employees for the duration of the CBA.

Operations Technicians – Residency



- Operations Technician Residents will be required either to live within a designated Service Territory (as defined by the Company) or within a reasonable distance from the designated service territory, as determined and approved by the Company (Residency Requirement).
- Operations Technician Residents will have nine (9) months from the date of promotion to permanently relocate to the identified Service Territory at their own expense.
- If an Operations Technician Resident fails to relocate within the designated 9 month period, he or she will be demoted in accordance with the Collective Bargaining Agreement, and be ineligible for any promotion for two (2) years from the date of demotion.
- If an Operations Technician Resident at some point chooses to move out of the designated Service Territory (or approved location), for any reason other than a promotion, his/her employment will end.
- The Resident Operations Technician will receive the first call for all after hour emergency call outs within the designated Service Territory
- The Resident Operations Technician position requires a significant after-hours call response performance expectation at all times that the employee is not on an approved leave. Failure to reasonably meet this performance expectation may be cause for discipline, up to and including termination of employment.

Crew Leader



- Established new Crew Leader Job Classification in Construction Operations.
- The Company agreed to promote a total of ten (10) Crew Leader positions
- Crew Leader Vacancies will be filled in accordance with the newly revised Promotion / Demotion series found in Exhibit B.
 - Only candidates who have a seniority date that's within 5 years of the most senior candidate's seniority date will be eligible for the Crew Leader promotion.
 - The panel will determine the successful candidate based on the results of the Crew Leader interviews.

Meter Shop



The Measurement Department (Meter Shop) personnel will be transitioned into non-bargaining unit positions as follows:

- Three (3) existing Meter Shop Mechanics will be promoted to Meter Shop Technicians provided they successfully pass the certification test.
- If a Meter Shop Mechanic fails the certification test, he/she will remain a Mechanic but will be provided a one-time opportunity to lateral to a Mechanic job classification in accordance with Exhibit B.
- Two (2) existing Meter Shop Technicians will be promoted to Sr. Technicians in the Measurement Department.
- The four (4) existing Meter Shop Helpers will promote out of the Measurement Department in accordance with Exhibit B (Physical).
- Future vacancies within the Measurement Department (Meter Shop) will be filled by non-bargaining unit employees.

Fleet Management



- All required ASE's for each job classification must be obtained prior to accepting a promotion.
- Fleet Technicians must pass Nicor Technician certification and all 8 A.S.E. certification tests.
- No changes to the Fleet uniforms. Provided for and laundered by the company.

Health & Welfare



2018

4 plan options

- 2 Low Deductible PPO
- High Deductible with HSA
- HMO IL

Anthem & BCBS AL as administrators*

Cost Share

- See Below

CVS Caremark for prescription drugs

2018

Dental

- 3 plan options
- 100% employee paid

Vision

- Voluntary coverage
- 100% employee paid

Life Insurance

- \$12,500 employer provided
- Additional coverage paid by employee (EE, spouse, dependent)

Wellness

- HRA / HSA dollars for EE & EE+Spouse
- Tobacco surcharges

2018

Short-Term Disability Accrual (Sick Days)

- 80 hours a year with a max of 1,040 hours

Short-Term Disability Benefit

- 60% of base pay
- 100% employer paid

Long-Term Disability

- 50% option; employer paid
- 60% option; employee paid
- Base + Overtime pay
- Two (2) years max.

Premium Cost Sharing %	Single		Premium Categories with Dependents	
	Company	Employee	Company	Employee
2018	61%	39%	58%	42%
2019	70%	30%	66%	34%
Beginning 2020	80%	20%	74%	26%

¹ Premium categories with dependents are the following: (1) employee and spouse; (2) employee and children; and (3) employee and family.



Retirement Benefits

Pension – Pre-1998 Employees

- Employees 55 prior to January 1, 2018 remain eligible for early retirement supplements.
- Employees under age 55 prior to January 1, 2018 remain eligible for E.R.S. as long as they retire before February 28, 2020.
- Current plan benefits will be frozen as of December 31, 2017.
- Future plan benefits will accrue under the career average earnings formula:
 - 1% actual base pay each year, plus...
 - 1/2% actual base pay in excess of 1/2 of the social security wage base for each plan year.



Retirement Benefits

Pension – Post-1998 Employees

Cash Balance Pension Plan

- Each plan year the employee will be credited:
 - 5.5% annual base pay, plus interest credits based on Treasury rate.
 - 3 year cliff vesting.
- Defined contribution plan ends 12-31-2017 (1.5% base to 401k)
- Final retirement growth contribution will be made February 2018.
- **401k (all)**
 - 100% of first 4% company match
 - 55% of next 2% company match