

TUESDAY, AUGUST 5, 2008

SUMMARY

Company Counter to U82 (D) – Canzone Rule – For the term of this agreement, districts that have at least 35 ETRs on the active payroll, (during the shift and schedules selection periods of February and August) the Company will allow the most senior ETR to be excluded from off hour shifts or details. In any event, at districts with at least 35 ETRs only one ETR can be excluded from off hour shifts or details, based on seniority.

Company Counter to U 114 – Section Appendix C – Job Evaluation Process – The Company agrees to honor it's commitment to conduct job evaluations for the following two classifications:

- District Operations Clerk-4
- Gas Measurement Analyst -5
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If there are indications of either party attempting to influence the process and/or outcome, in any way, the process will be halted. The process will be resumed upon mutually acceptable resolution for the concerns. In the event there is a re-starting of the process, the effective date of any job level change would be the most recent re-start date.

In order to increase the objectivity and accuracy of the job evaluation process, the Company put forth proposal C86. If the union accepts this proposal, the Company would agree to conduct job evaluations for the following additional classifications using the process outlined in C86:

- Transportation Logistics Representative
- 'Lead System Protection Specialist
- System Protection Specialist
- Station Operations Specialist
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Furthermore, if the Union accepts C86, the Company agrees to move the Lead Payment Control Clerk 5 up one level, upon contract ratification, without conducting a job evaluation.

Company Counter Proposal to U-20 – Letter Agreement RE: New Technology

The Company has a business need to leverage technology to operate efficiently and effectively in order to meet its business goals and customer needs. From time to time, the Company also undertakes efforts to redesign work processes in order to improve efficiency and effectiveness.

In the ongoing spirit of collaboration, the Company will strive to keep the Union informed of such changes, to the extent they are expected to impact bargaining unit employees. The Company will continue to fulfill its obligation of meeting with the Union to discuss mandatory subjects of bargaining, including conducting effects bargaining where appropriate.

The Company recognizes that employees and the Union may have suggestions to offer from a change management perspective when new technology or work processes are rolled out. The Company welcomes ongoing input from the Union and will continue to solicit input, as appropriate, via existing Joint Steering Committee forums.

Nothing in this letter Agreement is intended to affect the Management Rights provisions contained in the Collective bargaining agreement.

Company Counter to U-87 and U – 88 Section Appendix D Pension Plan – The Company will enhance the current, traditional Pension plan for existing employees effective 1/1/09 as follows:

- Accelerate vesting time from 5 years to 3 years;
- Increase the surviving spouse benefits as follows: change the pre-retirement death benefit for married participants to provide the full amount that the participant would have received had they commenced payment of the benefit on the day before they died; and
- Transition all existing, unvested employees (i.e. employees who are not vested in the existing traditional plan, as per Appendix D, prior to 1/1/09) to the Cash Balance plan (This offer is in response to interest expressed by the Union when the initial proposal was discussed).

This counter is contingent on the Union accepting C90 and C107. Attached is a letter as requested by the union, confirming that the updated Plan document put forth in C107 does not contain any substantive changes to the existing, traditional Pension plan in Appendix D of the collective bargaining agreement.

Any agreed upon changes to the Pension Plan made during contract negotiations will also be added to appendix D as an amendment once the contract is ratified.

Company Counter to U-91 and U-92 Section Appendix E 401K Savings Plan – To provide employees with more flexibility in saving for the future, the Company will increase employee deferral limits from 25% TO 50%. This change will become effective as soon as possible following ratification of the new contract but no later than January 1, 2009. To enable employees to fully leverage the Company's 50% matching contribution, the Union will accept the 1% per year auto escalation feature set forth in C93 for new employees.

This proposal is contingent on the Union also accepting C108 which updates the Retirement Savings Plan document to reflect administrative and legal updates required to comply with current, applicable laws and regulations.

Attached is a letter, as requested by the Union, confirming that the updated Plan document put forth in C108 does not contain any substantive changes to the existing Retirement Savings Plan in Appendix E of the collective bargaining agreement.

Any agreed upon changes to the Retirement Savings Plan made during the 2008 contract negotiations will also be added to Appendix E as an amendment once the contract is ratified.