

MEMORANDUM OF AGREEMENT
TERASEN GAS INC. and LOCAL 213 OF THE IBEW
(2006 – 2011)

This Memorandum is subject to ratification by the principles of both parties. All signatories to this Memorandum agree to unanimously and unreservedly recommend all of the terms and conditions of the Memorandum to their principles.

Terasen shall advise the IBEW of the results of its ratification within 48 hours of signing. The IBEW shall advise Terasen within 30 calendar days.

The parties' collective agreement is amended with respect to the following terms and conditions effective the third working day following official notice of ratification by the bargaining unit unless specified otherwise for certain terms in this Memorandum.

Revised terms and conditions:

Article 8.01.1.5: (amend second sentence as follows):

- For the Measurement Group Leader, Materials Leader – Central Stores, Measurement Shop Leader, Mechanical Foreman/Shop Leader, Building Operations & Maintenance Leader and Distribution Service Agent classifications, selections shall be made giving equal weight to each of the following six (6) factors:
 1. Seniority
 2. Expertise
 3. Initiative
 4. Problem solving & results orientation
 5. Customer focus
 6. Business understanding & alignment

Article 8.06.4:

- Replace current language to provide that temporary postings shall expire when and if the holder no longer meets the required qualifications for the position, after the employee has not worked in the classification for a period of more than 12 months.

Article 16.07.1:

- Article 16.07.1 "Whenever possible, employees shall schedule medical and dental appointments outside of normal working hours"; Article 16.07.2 will be enforced.
- Terasen, in consultation with the IBEW, will produce a simple and comprehensive checklist to assist employees who are making a claim for sick leave under the Claims Management Process. This will be completed no later than end of year 2006.

Article 22:

- Delete article 22.03.1 (Coastal AV) and article 22.11 (Supplementary Vacation), **except** for those employees choosing to remain on the "legacy" hours of work provisions.
- Amend article 22.03.2 to apply company-wide and to provide 30 days vacation after 25 years of service, **except** for those employees choosing to remain on the "legacy" hours of work provisions.

Article 24.03.2:

- Increase boot allowances to \$165 and \$330 respectively.

Article 29.09(b)(c):

- Increase to \$50 and \$55 respectively.

Article 29.08.1:

- "...if air, scheduled flying time plus two (2) hours,..."

Article 31:

Hours of work and additional, earned days off (New Model):

- All employees, company-wide, (except part-time employees) shall be paid 37.5 hours per week at "Interior" wage rates (this also applies to incumbent employees who may choose not to go to the *New Model*).
- All employees, company-wide, (except part-time employees, and those employees currently working 7.5 hours per day who choose not to go to the *New Model*) shall work eight (8) hours per day and deposit one-half (½) hour into their *Time Off Bank* for each day so worked. If the employee is not at work for the full eight (8) hour day, the one-half (½) hour is not earned and not deposited to the bank for that day.

- Employees who currently work eight hours per day (or a shift schedule derived from the eight hour per day schedule (e.g. LNG Plant)) may choose not to go to the *New Model*.
- Variations of the standard work day/work week, e.g. 10-hour shifts and LNG plant 12-hour shifts, shall remain in place and be modified only to the extent of reflecting the *New Model* and higher hourly rates.
- The balance of the time off bank may be taken as time off for layoff avoidance (first priority), or time off scheduled at the employee's discretion (subject to operational requirements, and subject to the same limitations as currently exist for SWYL), or cash.
- The maximum number of days that can be scheduled at company discretion from the *Time Off Bank* is 14 days per year.
- Employees currently covered by Article 35.06 may choose not to go to the *New Model*, in which case they shall continue to be covered by Article 35.06, except that paragraph 35.06.3 shall be amended to reduce the entitlement by 1-eleventh (1/11th) for each full month of absence in excess of one (1) month absence in the preceding year.
- Employees currently covered by Articles 35.01 to 35.05 may choose not to go to the *New Model*, and the following amendments shall apply to these employees:
 - Delete article 35.01 and add nineteen (19) "supplemental" days per year to employees *Time Off Bank*.
 - Delete articles 35.02, 35.03 and 35.04, reduce the nineteen (19) day supplemental entitlement by 1-eleventh (1/11th) for each full month of absence in excess of one (1) month absence in the preceding year, and retain article 35.02.4.1.

Article 31.11:

- Ten hour shift shall be voluntary beginning with the 2007 sign-up.

Article 31.07.4:

- 30 day/employee restriction is eliminated - Interior and North Island.

Article 31.11.1:

- Add 1300 to 2100 as additional afternoon shift. This shift will apply Monday to Friday only and will have a maximum rotation of 1 in 6. The 1400 to 2200 shift will become voluntary.
- At the annual signup the employee may opt for the 10-hour shift or the 1400 to 2200 shift in lieu of the 1300 to 2100 shift, subject to reasonably anticipated business requirements.
- These shifts shall apply to the LM/FV and CRD only and may be implemented with the 2007 sign-up.

Standby:

Effective January 1, 2007:

- **Interior:**
All out-of-town standby coverage and all standby in excess of 30 weeks in a calendar year by an individual employee shall be paid at \$360 per week (\$30/weekday & \$105/SatSun).
- **Article 32:**
\$500 per week (\$50/weekday & \$125/SatSun).

Effective January 1, 2009:

- **Interior:**
Basic Standby coverage shall be paid at \$360 per week (\$34/weekday & \$95/SatSun).

All out-of-town standby coverage and all standby in excess of 30 weeks in a calendar year by an individual employee shall be paid at \$400 per week (\$34/weekday & \$115/SatSun).
- **Article 32:**
\$450 per week (\$40/weekday & \$125/SatSun).

Article 36:

- Terasen intends to expand the Distribution Services Agent (DSA) classification company-wide in situations where appropriate.
- Merge Electronic Control Technician (ECT)1 with Measurement & Controls Technician.

- Employees must obtain the Utility ticket prior to completing the DA apprenticeship. Curriculum details and home study expectations shall be finalized by JCC.

Customer Service Technician:

This new classification merges the Utilization Technician 1 (LM/FV and CRD), Tie-in Technician (LM/FV), Sales and Service Technician (Interior and North Island), and Distribution Service Technician (Interior and North Island).

- Employees in these classifications shall be trained and shall perform PFM and other work up to and including all meter sets that utilize a single run configuration, with or without a bypass (excluding instrumented and turbined meter sets).
- This classification shall be paid 2% above the current rate (incumbents in the classifications listed above shall be upgraded by 2%), except that CRD Utilization Technicians shall receive 50% of any general wage increase until such time as their hourly rate becomes equal to that of the newly upgraded rate
- This classification will follow a progression similar to the current Utilization Technician (i.e. CST 2 to CST 1) and it will be applied company-wide.
- Tie-in roles will be bulletined separately for both permanent and relief bulletins.
- The Install Crew Leader responsibilities in the current DST classification shall be limited to towns of four (4) or fewer employees (except Vancouver Island which will be on a grandfathered basis).
- No incumbent Systems Operations Technician shall be laid off or downgraded as a result of this change, and Terasen will not eliminate the SOT classification as a direct result of this change.

Article 37:

- Upgrade Meter Measurement Technician one pay level (incumbents automatically upgraded). Terasen will review (in anticipation of future postings) required qualifications to bring them in line with qualifications for other classifications at the new pay level.

Employee Savings Plan:

Applies only to employees who work under the "New Model" for hours of work and earned time off.

- The Employee Savings Plan shall apply to all regular employees (except those who remain on the "legacy" hours of work, and those part-time regular employees who work less than 37.5 hours per pay period) per the terms and conditions of that plan as they currently exist.

Employee Benefits Program:

The parties agree to maintain the current employee Benefits program until December 31, 2008.

The parties shall, in good faith, design a flexible benefits program suitable for bargaining unit employees no later than March 31, 2008. This new benefits program shall be designed to maximize the benefits for bargaining unit employees given the "percentage of base payroll" funding available from the 2007 benefits cost experience for bargaining unit employees.

This percentage of base payroll represented by bargaining unit benefits in 2007 shall be carried forward to 2009 and future years as being the funding available to finance the new benefits program. If the funding available through this formula is insufficient to finance the new benefits program, the parties shall adjust the new benefits program design to keep it compliant with the funding available.

In the event the parties are unable to design an appropriate new benefits program for bargaining unit employees by the deadline, the current benefits program shall remain in place, using the same 2007 percentage of base payroll figure as derived above, as the base for benefits costs for 2009 and beyond. Should the actual costs of benefits exceed the funding available in any given year, then the employees shall bear 50% of the cost of the shortfall. This shortfall shall be recovered from employees by payroll deduction.

Optional use of days off:

Effective January 1, 2007, each employee under the "New Model" shall be credited annually with ten (10) additional days off (equivalent to 4% of base wage), prorated for part years. These additional days can be taken as time off or converted to a non-taxable Health Spending Account, non-taxable RRSP contributions or taxable cash, in any combination not exceeding the 4% entitlement.

Employees choosing not to go to the "New Model", may use up to ten days of their time off entitlement to purchase a non-taxable Health Spending Account,

non-taxable RRSP contributions or taxable cash, in any combination not exceeding the value of the number of days contributed.

Post retirement benefits (effective January 1, 2009):

- Post retirement benefits apply to all regular full-time eligible employees (37.5 hours per week). A full-time employee must have worked a minimum of 2 years full time status immediately prior to retirement and age 55 with 10 years of full-time equivalent service. Benefits consist of the following:
 - Health Care Spending Account (HSA): an annual pre-tax allocation of \$2,500 (pro-rated in first partial year of retirement) for expenses that are eligible for the medical tax credit under Section 118.2 of the Income Tax Act
 - Extended Health Plan/Security Plan: covers defined medical expenses at 100% after satisfying an annual deductible of \$1,250 per person. Eligible expenses include:
 - Emergency Ambulance
 - Hospital – Semi-private
 - Prescription drugs
 - Private duty nursing
 - Mastectomy brassieres
 - Ostomy and ileostomy supplies
 - Walkers, canes, crutches, splints, casts collars, trusses, braces, permanent prostheses, stump socks, surgical stockings, orthopedic shoes, cervical collars and traction kits – to a combined annual maximum of \$500 per person
 - Hearing aids, to a maximum of \$500 per person in any five-year period
 - Rental or purchase of medical equipment, to a lifetime maximum of \$15,000 per person

Lifetime maximum benefits of \$500,000 per person.

Transition:

- Current eligibility rules shall remain in effect for all eligible employees retiring prior to January 1, 2009.
- Part-time regular employees retiring prior to January 1, 2009, shall remain eligible for the current Post Retirement Benefits.
- Full-time regular employees retiring prior to January 1, 2009, shall have the option to elect the new post-retirement benefit plan.

In house versus contractor work:

- The parties hereby recommit to the substance and intent of LOU #33, including the work activity projections JCC. In addition the parties will update LOU #33 to reflect the current organization.

Total Compensation:

- Annual base pay increases over 5 years: 2.85%, 2.5%, 3%, 3%, 3%
- Lump sum in lieu of detailed retroactive calculation:
 - All regular and temporary full-time employees active on the third working day following official notice of ratification by the bargaining unit shall receive a one-time lump sum payment of \$700.
 - All regular part-time employees active on the third working day following official notice of ratification by the bargaining unit shall receive a one-time lump sum payment of \$350.
- Employee Incentive Plan (applies only to employees on the "New Model" hours of work as implemented by this Memorandum.):
 - Corporate Scorecard measure: (\$1,000.00)
 - Individual Performance measures: Lost Time Accidents (\$300), Motor Vehicle Accidents (\$300), and Attendance (per previous measure) (\$300).

Dependent Backhoe Contractors:

The following rate schedules shall apply:

Lower Mainland/Fraser Valley:

Year	2006	2007	2008	2009	2010
Hourly Rate (Inc. Hoe-pack)	\$67.50	\$69.50	\$71.00	\$73.00	\$75.50
Hourly Rate Truck & Trailer	\$7.00	\$7.00	\$7.50	\$7.50	\$7.50
Total Both	\$74.50	\$76.50	\$78.50	\$80.50	\$83.00
Overtime Rate	\$89.00	\$89.00	\$89.00	\$99.00	\$99.00

CRD Dependant Back-Hoe/Dump Trucks:

(All Hoe/Trucks to be similarly equipped)

Year	2006	2007	2008	2009	2010
Hourly Rate Inc. D-Truck & Equip	\$77.00	\$78.75	\$81.50	\$84.00	\$86.50
Overtime Rate	\$89.00	\$89.00	\$89.00	\$99.00	\$99.00

- The Dependent Contractor/Router (Appendix G) shall receive the normal annual percentage increases to the rate and shall receive the \$700 lump sum in lieu of retroactivity.
- Add the language contained in Article 7.04.2 (Coveralls, boots, etc.) of Appendix "A" of the collective agreement, to apply to all the CRD Dependent Contractors.
- Convene a JCC to review the use of ancillary equipment for CRD Dependent Backhoe Contractors, and to seek standardization with the Lower Mainland.
- Rikkmen Excavating Co. hourly rate to be red-circled pending the outcome of the JCC.

Dependent Dump Truck Operators:

- Rebase the hourly rate to \$45 per hour, then apply the five standard annual base pay increases to this new base rate.
- Overtime rate shall be \$67.50 (150% x rebased hourly rate), then recalculate the overtime rate as 150% of the applicable hourly rate effective April 1, 2008 and again on April 1, 2010.
- Operators may charge an additional \$4,000 on the first invoice following the implementation date.

Housekeeping:

- Apply agreements made on March 2, 3 and 8 with respect to Letters of Understanding (see Appendix A), and attend to all other housekeeping matters.

Effective date:

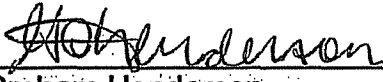
- Unless otherwise specified, all terms and conditions become effective on the third working day following official notice of ratification by the bargaining unit.

Signature page:

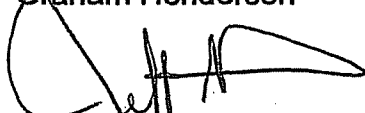
On behalf of Terasen Gas Inc.



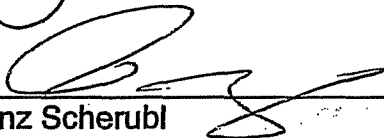
Daryle Britton



Graham Henderson




Jeff Marwick

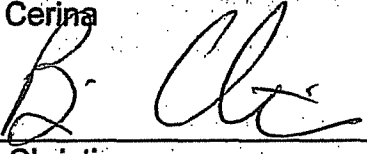


Franz Scherubl

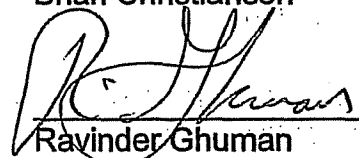
On behalf of Local 213 of the IBEW



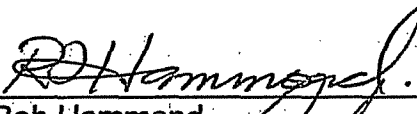
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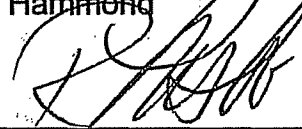
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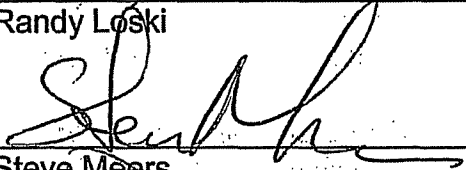
Ravinder Ghuman



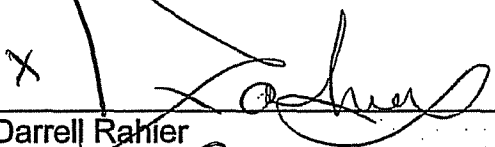
Bob Hammond



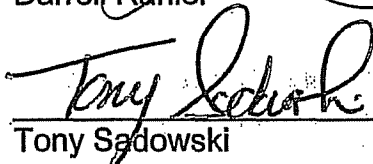
Randy Loski




Steve Meers



Darrell Rahier



Tony Sadowski



Ab Yates

Dated this 31st day of July, 2006 at Surrey, B.C

Appendix A – Summary - Letters of Understanding - Housekeeping revisions (As agreed March 2, 3, and 8, 2006)*

LOU	Action/Revision
2	Incorporate into Article 5.03
4	Leave as is
6	Subject to FINAL bargaining proposals; possible insert in to Art.14
7	Insert into Art.13.09
16A	Insert into new Article 42
17	Delete
18	Subject to FINAL bargaining proposals; possible insert into Article 5.03
21	Insert into new Article 42
? Agreement with respect to Gainsharing	Delete
31	Insert into Article 9
32	Insert into Article 8.07
33	Make this LOU#1; re-write and update it
34	Move into Appendix A; and delete sub-title " Southern & Western Regions"
35	Move into Appendix A
38 & 54A	Combine the LOU's into one LOU #38; agreed to 20 km for all regions
39, 39A, 39B	Delete LOU #39A; Incorporate LOU #39B into #39; incorporate 29
56	Update this – JCC to be created
57	Move parts of it to Article 36 - Job Descriptions; grandfathered SMII needs to be put on "P" file – 'Agreement with respect to incumbent SM2's" portion to go on P file. Then can delete.
58	Move to Article #31
59	Leave this for now; possibly move into CA; Apprenticeship portion could go to Art. 42
60	Subject to FINAL bargaining proposals; move to Article 32, needs adaptation, include adjustment plan
61	May or may not remain, if it does, update it
62	Subject to FINAL bargaining proposals
62A	Could put it into Article 7
63	Could put into Art. 34.01.2; entire 200% into OT bank for ees subject to seasonal layoff; make reference to 34.01.2 - (Article 7.04)
65	Move to Appendix A & update language
66	Subject to FINAL bargaining proposals
CRD #1	Delete
CRD #5	Move to Article 42; change reference from "4.02, 2 nd paragraph" to 4.02.1
CRD#13	Move to Article 31
CRD#15	Leave as is

Appendix A – Summary - Letters of Understanding - Housekeeping revisions (As agreed March 2, 3, and 8, 2006)*

CRD#17 & letter of interpretation	Delete
CRD#18 & letter of interpretation	Delete
CRD#19	Delete
CRD#21	Move part of it to Article 42; may fit into the other integration piece
CRD - Pension Plan (no #)	Delete
CRD - LOU – Part-time Position (no #)	Delete
CRD- LOU – Job Description – Clerk 2 (no #)	Delete
NI LOU #3	Merge into Article 31
NI LOU #4	Delete
NI LOU #5	Delete
NI LOU #8	Leave as is
NI LOU #9	Delete
NI LOU #10	Delete

Vancouver Island Adjustment Plan (to become a letter of understanding), including:

Delete items: 1 to 9, 11, 18 to 21, 23, 25 to 30, 32, and 33
 Amend items: 12 (remove redundant classifications), 22, 24

In order to implement the housekeeping items of this Appendix the parties agree that some further language refinements may be required by mutual agreement.

**Errors & Omissions Excepted*

Appendix B: Options for current employees to elect the "New Model" for hours of work, Savings Plan and Incentive Plan

All employees hired following ratification of this Memorandum shall be hired into the "New Model" and receive all of the entitlements thereto.

Subject to the following conditions, each current employee shall be given the option, prior to the end of 2006, to elect to join the "New Model" effective January 1, 2007.

Thereafter, again subject to the following conditions, employees who have not yet joined the "New Model" shall be afforded an election prior to the end of each calendar year to join the "New Model" effective January 1 of the following year.

Conditions:

1. Transfer to the "New Model" is irrevocable. This rule supersedes all other rules (once on the "New Model", remains on the new model).
2. In the work groups such as Construction, and Transmission Crews, and the Meter Shop, transfers must be by the entire workgroup and must be by unanimous agreement of the employees in that workgroup.
3. Work groups such as customer service, SOT, CCT's, MCT or others who normally work alone shall be on an individual basis.
4. CST's in towns of 2, 3 or 4 employees shall be considered a single workgroup, requiring unanimity.
5. Temporary bulletin holders shall maintain the hours of their permanent assignment.
6. Bumping – If permanent, bumping/bumped employees shall assume the rules of the receiving workgroup.
7. Incumbent transfers shall assume work rules of new work groups.
8. For clarity:
 - A Coastal employee transferring to Interior shall go to 37.5 week/17 days unless the workgroup is under the "new model".
 - An Interior employee transferring to Coastal/Lower mainland shall go to an 8 hour workday/32 days, unless already on the "new model"
9. Extended leave – such as LOA, LTD, WCB, Maternity, Parental. If an employee is off, they get a vote, unless return is not in the foreseeable future.
10. Anything outstanding/in dispute/unforeseen goes to a senior JCC for resolution.