

LETTER OF UNDERSTANDING NO. 59

between

LOCAL 213 OF THE
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

and

TERASEN GAS INC.

respecting

The trades qualifications of the Compression & Controls Technicians (CCT)
within the Transmission Operations Department, their market adjusted
wage rates, and the day-to-day organization of their work.

Part 1 - Trades Qualifications:

- 1) Those CCTs and new employees to this classification who do not hold an Interprovincial or B.C. Provincial Trades Qualification Certificate or Exemption Certificate in Electrical, will be required to obtain the Electrical TQ through an apprenticeship program. Those who have obtained an Exemption Certificate will enter into an apprenticeship at the company's discretion.
- 2) An employee who has relevant training and experience shall write a slotting exam as provided by the Apprenticeship Branch.
- 3) An employee who fails any apprentice year twice may be terminated or reassigned, at the company's sole discretion.

Apprenticeship:

- 1) School Terms will be scheduled by the company to meet operational requirements.
- 2) Travel, accommodation and meal expenses during the school term will be by agreement between the employee and the manager based on what is reasonable in the circumstances and generally within the practice followed for company training. Failing agreement between the employee and the manager, agreement will be reached between the union and the company.
- 3) Employees shall continue to receive their regular, straight time wages for all time associated with the school term. If the employee is required to perform company work during the school term, the regular hours of work or overtime provisions will apply.
 - i. If the employee is required to repeat a school term, all time and expenses associated with the repeated term are the responsibility of the employee.
- 4) Books and supplies as prescribed by the Apprenticeship Branch will be reimbursed by the company.
- 5) New employees shall contribute 15 days of their own time per year to classroom time.
- 6) Current employees and internal hires who do not have the trade qualification or an Exemption Certificate shall not be required to contribute any of their own time to classroom time.

- 7) Employees hired after ratification of this LOU and who receive the benefits of this part (i.e. the employee is in the apprenticeship program for a required TQ) are not eligible for the Attraction/Retention Premium referenced below.

Part 2 - Attraction/Retention Premium (ARP):

	ARP*				Base Rate
	Interior	Coastal	Interior	Coastal	
CCT 1	\$31.11	\$29.16	\$2.18	\$2.04	\$29.16
CCT 2	\$28.00	\$26.24	\$1.96	\$1.84	\$26.24
CCT 3	\$26.44	\$24.78	\$1.84	\$1.73	\$24.78
CCT 4	\$24.88	\$23.32	\$1.74	\$1.63	\$23.32

** The ARP is a premium applied only to regular hours worked, annual vacation, supplementary vacation, statutory holidays and SWYL. It does not apply to overtime or stand-by hours or other forms of paid time off. It does not form a base from which other premiums are calculated (e.g. overtime).

The ARP will be jointly reviewed annually relative to our current market comparators, and is subject to full, joint review as required (in any event no less than every five years). The intent is to maintain total cash compensation for CCTs at a level relative to market that will facilitate attraction and retention of qualified CCTs.

Part 3 -Work Leadership;

Terasen has the right to appoint up to three CCTs to provide training and work leadership to the other CCTs. Terasen is sole and final authority for all such appointments subject only to the company's decision not being arbitrary or discriminatory. Employees so appointed shall direct the work of the other CCTs in a manner similar to the Mechanical Foreman and Shop Leader classifications. They shall be paid at the Foreman/Shop Leader rate and receive the same Market Adjustment as the CCT 1.

In the event Terasen decides to rescind any such appointment(s), the employee shall revert to the CCT1 classification.

Part 4 - Miscellaneous:

- 1) Articles 28.04.13 and 28.10.4.9 do not apply to CCTs as there is an expectation that they will be temporarily reassigned to compressor stations throughout the system as required.

On behalf of Local 213 of the IBEW:

Randy Loski

June 13, 2004

On behalf of Terasen Gas Inc.:

Franz Scherubl

June 1, 2004