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June 2, 2008

File: Article 35  
1126

Mr. R. Ghuman  
IBEW, Local 213  
4220 Norland Avenue  
Burnaby, B.C.  
V5G 3X2

Mr. B. Hammond  
Chief Shop Steward  
I.B.E.W., Local 213  
Victoria

Dear Rav and Bob:

Re: True Bank Current Year & True Bank Prior Year

This letter is further to our joint consultative meeting of May 15, 2008, held in the presence of Randy Loski, Rav Ghuman, Bobby Hammond, Graham Henderson, Deb Brown, and myself, wherein we discussed concerns with regard to the administration of the True Banks – "Current Year" and "Prior Year".

Generally, the parties agreed that there has been some misunderstanding with regard to how and when some of the new time off banks would be allocated – e.g. front loaded (like vacation) or taken in the year following the year that they were earned (as per SWYL). These differences arose in early August 2006, following collective bargaining. As such, the parties agreed to further changes, including: agreeing to front load the 17 or 19 Legacy/Choices Days; and with the Company maintaining that although the earned True bank days would be earned and then taken in the current year, in the 2007 transition year, they would be deferred to 2008. Subsequently, as per the December 19, 2007 Letter of Understanding Re: True Bank Earned Days, Legacy Days and Choices Days, we agreed to allocate the earned True Bank days in the year following the year that they were earned. Despite these further changes, some misunderstanding between the parties, as well as confusion amongst IBEW affiliated employees, has persisted.

Notwithstanding the above, both parties recognize that regardless of whether the earned true bank is front loaded (with any unearned days clawed back at year end) or allocated in the year following the year that they were earned, IBEW affiliated employees are not being denied any earned time off. The fundamental problem being that employees are experiencing some confusion in interpreting their time off allocation on the pay stubs, and as such have concerns that they may be losing time off. This confusion is compounded by the significant changes to the administration to time off allocations, as the result of the elimination of SWYL.

In the spirit of our discussions, in an effort to address any confusion and alleviate concerns, the Company proposes, effective January 1, 2009 (due to system configuration limitations), the following:

1) True Bank Current Year:

- Change this from a dollar (\$) bank to an hourly bank
- The Pay statement will be shown in hours not dollars
- As per the December 19, 2008 LOU, and our current practice, this bank will be available in the year following the year in which it was earned.
- If an employee is temporarily working in a higher classification, the employee's regular base half hour will go to the bank and the difference between the base rate of pay and the upgrouped rate of pay will be paid out.

*For example:*

<i>Uppgroup Classification</i>	<i>116</i>	<i>\$32.52</i>	<i>½ hr = \$16.26</i>
<i>Regular Classification</i>	<i>113</i>	<i>\$30.44</i>	<i>½ hr = \$15.22</i>

*\$1.04 would be paid to employee with a ½ hour banked.*

2) True Bank Prior Year:

- Change this from a dollar (\$) bank to an hourly bank
- Must be used/taken as time off, it is not cashable
- The Pay statement will be shown in hours not dollars

3) Transition Bank:

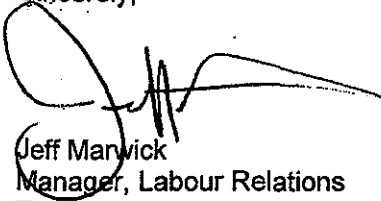
- Will remain as a dollar (\$) bank, and will be paid out December 31, 2009. The rollover of hour banks into Transition Bank will be based on their base rate of pay at the date of transfer.

In addition to the above, the Company would make reasonable efforts to further communicate and explain the time banks to employees, so that they can better understand their pay statements.

We hope that the above meets with your agreement, and ask that you please confirm your agreement in writing.

For clarity, as we finalize the revisions to the collective agreement, we may wish to merge the above with the December 19, 2008 LOU and/or incorporate both into the final version of the collective agreement.

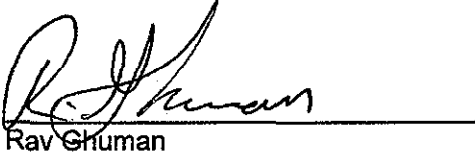
Sincerely,



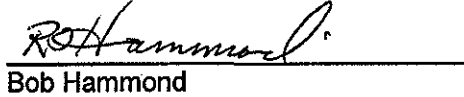
Jeff Marwick  
Manager, Labour Relations  
Terasen Gas Inc.

cc: Deb Brown  
Nicole Gill  
Graham Henderson  
Gord Van Dyck

Agreed:  
For the Union:



Rav Ghuman



Bob Hammond

June 17, 08  
Date

June 13/08  
Date