

May 12, 1999 - May 11, 2003

AGREEMENT

as to

Wages, Working Conditions and Seniority

Between

**Massachusetts Electric Company
New England Power Company
New England Power Service Company
Granite State Electric Company**

and

**Local Unions Nos.
326 and 486
International Brotherhood of
Electrical Workers**

Whenever reference is made to masculine gender throughout this agreement, feminine gender also applies.

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AGREEMENT made and entered into by and between MASSACHUSETTS ELECTRIC COMPANY, NEW ENGLAND POWER COMPANY and NEW ENGLAND POWER SERVICE COMPANY, Massachusetts corporations, and GRANITE STATE ELECTRIC COMPANY, a New Hampshire corporation, hereinafter referred to as the "Company" and LOCAL NOS. 326 and 486 of the INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, for the EMPLOYEES OF THE COMPANY who have designated the International Brotherhood of Electrical Workers, Local Union Nos. 326 and 486, to act for them as their collective bargaining agency, hereinafter referred to as the "Brotherhood".

WHEREAS, the Brotherhood represents a majority of the employees in the Departments of the Company set forth in Section C marked "Schedule of Wages" and has been designated by said majority to be the exclusive representative of all the employees in such departments for the purposes of collective bargaining with respect to rates of pay, wages, hours of work and other conditions of employment; and

WHEREAS, both the Company and the Brotherhood desire to promote harmony and efficiency in the working forces so that the employees and the Company may obtain mutual economic advantages consistent with the duty of the Company, as a public utility, at all times to provide an adequate and uninterrupted supply of service in the territory and communities which it serves.

WHEREAS, it is agreed that the parties will continue to provide for equal opportunity as to wages, working conditions and seniority without regard to race, color, religion, sex, age or national origin.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, it is agreed as follows:

ARTICLE I - RECOGNITION OF THE BROTHERHOOD

A. Recognition

The Company recognizes the aforementioned Local Unions to be the exclusive representative of all the employees of the Company described for the purposes of collective bargaining. The provisions of this agreement shall not apply to Company executives, officials, supervisors or foremen other than working foremen, nor to the personal office forces of the Company executives, officials or supervisors or other office employees who perform duties of a highly confidential nature.

B. Neutrality

Section 1. The Company agrees to remain neutral in union organizing campaigns conducted among workers in equivalent jobs in wholly-owned, regulated companies and NEESCOM, as long as NEESCOM remains a wholly-owned NEES subsidiary or affiliate.

Section 2. Neutrality means that the Company shall neither help nor hinder the Union in any organizing campaign, nor shall it comment upon the Union's motives, integrity, character or performance during any organizing campaign. Also, neither NEES or its subsidiaries or affiliates, nor any of their successors or assigns shall provide any support or assistance of any kind to any person or group opposed to union organization.

Section 3. Reservation Of Rights

NEES', or its subsidiaries or affiliates, commitment to remain neutral shall cease if the Union or its agents, intentionally and repeatedly misrepresents to employees the facts and circumstances

surrounding their employment or conducts a campaign which comments upon the motives, integrity or character of the Company or its representatives. NEES, or its subsidiaries or affiliates, reserves the right to respond to employees' inquiries relating to the issue of Union organization and to engage in normal communications with employees concerning their employment.

Section 4. Access

The Union representatives shall be allowed access to the facilities of NEES, its subsidiaries or affiliates, for the purpose of distributing literature and meeting with employees. Any interaction with employees or distribution of literature at the facilities of NEES, or its subsidiaries and affiliates, shall be accomplished in a manner that does not disrupt access or egress from buildings. Distribution and solicitation inside such facilities shall be limited to non-work areas. The Union shall not disrupt the normal business of these facilities while distributing literature or soliciting authorization cards.

C. Voluntary Recognition

Section 1. The Company agrees to recognize a union upon receipt of proof of support of no less than 75% of those eligible for inclusion in the bargaining unit as verified by an independent third party.

Section 2. In the event a third party verifies that 75% of eligible employees in an agreed-upon unit have signed authorization cards, the Company agrees to recognize such employees without a National Labor Relations Board-conducted election, provided all of the following criteria have been met:

- a. The Company and the Union have mutually agreed upon the nature and content of the card employees will sign;
- b. The Company, its subsidiaries, and affiliates and the Union have mutually agreed that the bargaining unit in which the Union seeks recognition is an appropriate bargaining unit;
- c. The Company, its subsidiaries, and affiliates and the Union have mutually agreed upon the number and identity of the employees eligible for representation in such a unit;
- d. The Union submits to a mutually-selected third party signed authorization cards from at least 75% of the employees in the agreed-upon bargaining unit, all of which expressly state that by signing the card the employee designates the Union as his/her exclusive bargaining representative, and further state that they understand that if 75% or more of the eligible employees in the unit also sign such cards, the Company, its subsidiaries, and affiliates will recognize the Union without an NLRB-supervised election; and
- e. The Union's majority status in the agreed-upon bargaining unit is confirmed by the mutually selected third party.

Section 3. If the Company, its subsidiaries, and affiliates and the Union fail to agree upon any of the conditions set forth in Paragraphs (a) through (d) above, the matter may be referred to the NLRB for determination.

Section 4. Negotiations for a contract covering the new unit will begin within a reasonable amount of time following third party verification.

D. Exemptions

The provisions of this agreement shall not apply to Company executives, officials, supervisors or foremen other than working foremen, nor to the personal office forces of the Company executives, officials or supervisors or other office employees who perform duties of a highly confidential nature.

ARTICLE II - BROTHERHOOD MEMBERSHIP REQUIREMENTS

Section 1. The Company agrees that it shall require as a condition of employment that all employees subject to this agreement shall after the thirtieth day following the effective date of this agreement become members of the Brotherhood and continue as members thereafter while this agreement is in effect.

Section 2. The Company agrees that it shall require as a condition of employment that all new employees hereafter employed by the Company in any class of work to which this agreement applies, shall become members of the Brotherhood after the thirtieth day following the beginning of their employment and shall continue as members thereafter while this agreement is in effect.

Section 3. The Company and the Brotherhood mutually agree that the foregoing provisions shall in no way affect other terms and conditions of employment applicable to probationary employees.

Section 4. Any employee who has been employed by the Company continuously for a period of thirty days and who is permanently transferred to a class of work which is subject to the Brotherhood membership requirement, shall become a member of the Brotherhood within thirty days after the effective date of such transfer.

Section 5. Any employee exempted from the Brotherhood membership requirement under the provisions of this Article, but who is transferred or demoted while this agreement is in effect to a class of work which is subject to the Brotherhood membership requirement, shall become a member of the Brotherhood within thirty days after the effective date of such transfer or demotion.

Section 6. In no event will any employee be required as a condition of employment to become a member of the Brotherhood until after the thirtieth day following the beginning of his employment or the effective date of this agreement, whichever is later.

Section 7. Any employee of the Company who at any time while this agreement is in effect has been performing a class of work which is subject to the Brotherhood membership requirements of this agreement, but who is subsequently transferred or promoted to a class of work which is not subject to the Brotherhood membership requirement of this agreement, shall have thirty days following such transfer in which to return to his former class of work.

Section 8. The provisions of this Article shall not apply to anyone exempted from the provisions of this agreement nor to training students who may be assigned from time to time to any of the departments of the Company.

Section 9. The Company agrees to deduct from earned wages and remit to the Local Union the dues and assessments of those employees who are members of the Brotherhood and not exempt from the provisions of this agreement in an amount individually authorized and in a manner and on a written assignment approved by the Company.

ARTICLE III - MANAGEMENT RIGHTS

Section 1. The Brotherhood agrees, for itself and its members not to hinder or interfere with the management of the Company in its several departments, including the assignment of work, the direction of working forces, the right to hire, suspend or discharge for proper cause, to transfer employees to work for which they are better suited and to furlough employees because of lack of work or for other good and sufficient cause, but in the exercise of these responsibilities in management, the Company agrees that it will not discriminate against any member of the Brotherhood.

Section 2. Conditions of employment shall continue in accordance with the present practice of the Company, unless otherwise specifically provided herein or modified from time to time hereafter to meet the requirements of the service rendered by the Company.

ARTICLE IV - SENIORITY

Section 1. The Company and the Brotherhood mutually agree that for the purposes of this agreement, the term "permanent employee" shall mean any employee who has been employed by the Company continuously for a period of six months in one or more of the departments of the Company described. The term "probationary employee" shall mean any employee who has not been employed by the Company continuously for a period of six months in one or more of such departments. The term "temporary employee" shall mean one who is hired for a specific job and/or period of time but who it is not intended shall become a permanent employee as defined above, and whose employment is not intended to last for more than six months. If his employment continues for more than six months, he becomes a "permanent" employee as defined above.

Section 2. Selection of employees for promotion, demotion or furloughing because of a reduction in forces, shall be based upon the following factors: length of continuous service, training, ability, efficiency, physical fitness and place of residence. Whenever applicants for promotions otherwise qualify, in accordance with the above, length of continuous service shall govern, but in determining the ability and qualifications of applicants from another roster, the desire and ability of such applicants to advance to higher classifications in the roster to which the bid is made will be contributing factors.

ARTICLE V - FILLING OF VACANCIES

A. Filling Vacancies

Section 1. When a vacancy exists or the creation of a new position necessitates promotion of an employee, or hiring of a new employee, the Company shall post notices within a period not to exceed seven days at locations accessible to the employees, such notices to remain posted for one week, within which time employees shall apply in writing to the supervisor or official of the Company designated in the notice. The notices shall set forth the classification of the position to be filled, an outline of the qualifications and duties, the hours and days of work, the ultimate wage rate, the date on which the notice is posted and the last day for filing applications. Applicants who have special qualifications should describe such qualifications briefly in their application. On or before the date of posting, the Company shall mail a copy of the notice to the Business Manager of the Local Union representing employees in the department in which the vacancy occurs or the new position is created. The name of the successful applicant, providing he is the senior applicant, shall be appended to the notices within seven days of the closing time for filing applications and thereafter the notice shall remain posted for one week. Qualification includes successful completion of applicable selection testing as described below:

DEPARTMENT	TESTING REQUIRED
Overhead Lines	EEI CAST
Underground	EEI CAST
Substation Operations, Maintenance & Test	EEI CAST
Garage	EEI CAST & home grown tests for entrance and progression
Metering Services Roster A Metering Services Representative	EEI CAST EEI Clerical Battery & PTI Numbers
Metering Services Roster B	EEI Meter Readers Battery
Stores	EEI Clerical Battery
Operations Engineering T & D Clerk	EEI Tech EEI Clerical & PTI Numbers
Building Maintenance	EEI CAST
Telecommunications Technician	Prerequisite Associates Degree

Section 2. With the exception of the Operations Engineering Department, as of 5/12/99, employees who have passed the Bennett Mechanical will be deemed to have passed CAST or TECH.

Section 3. Further, with the exception of employees seeking to enter O&M, any employee, as of 5/12/99, holding a title for which CAST is required will be deemed to have passed CAST in future job bids.

Section 4. When an employee is promoted or transferred to another position, but fails to qualify, he shall be reassigned to the class from which he was promoted or transferred. If the Company determines that the employee is qualified to perform the work in the class to which he was promoted or transferred, but the employee desires to return to his previous class of work, the Company shall not reassign him until there is a vacancy in such previous class.

Section 5. The Company may assign any employee subject to the provisions of this agreement, if available, to fill a vacancy or new position temporarily, pending the posting of notices and the consideration of applications. The Company may also assign any employee subject to the provisions of this agreement, if available, to perform temporary work or to replace an absent employee without regard to the foregoing provisions of this Article.

Section 6. The foregoing provisions of this Article shall not apply to employees exempted under Article I herein or to employees in any department not coming within the scope of this agreement.

Section 7. Local companies will give first preference to qualified System employees for vacancies in local areas before hiring new employees.

Section 8. The Company agrees to give consideration for permanent promotion to employees who are assigned to a higher classification for continuous periods of twelve months or more. Assignment to fill in for injury, sickness or vacation will not be considered to be reason for promoting an employee to a higher classification.

Section 9. Courtesy postings for furloughed employees will be in accordance with Attachment XV of the Memorandum of Understanding of Items Agreed to During Negotiation of New Labor Agreement - May 16, 1995.

B. Progression

Section 1. The progression timetables and requirements for various departments and classifications are contained in reorganization agreements which are hereby incorporated by reference. Unless specified otherwise in those agreements, the type and context of examinations to be given will be jointly determined by the Union and the Company. They will also be jointly administered.

Section 2. For all progression requirements, all long term absences due to sickness or disability (6 days or more) plus any other unpaid absences, exclusive of time off on union business, which in the aggregate exceed 5% of the established progression time will be carved out of progression time. In such cases of delayed progression, upon the ultimate move to the next progression step, the employee's classification date will be adjusted as if the carve-out had not occurred.

C. Lineworker Progression

Section 1. A trainee entering the Line Department will spend three (3) months as an Apprentice Lineworker. He/she shall have the right to revert back to his/her previous job without prejudice or precedent.

Section 2. Lineworkers who have worked twelve (12) months after promotion to Third or Apprentice Class and qualified for promotion shall be advanced without posting to Second Class.

Section 3. Lineworkers who have worked fifteen (15) months after promotion to Second Class and qualified for promotion shall be advanced without posting to First Class.

Section 4. Lineworkers who fail to qualify in either class after eighteen (18) months shall be reassigned to the position they held prior to being promoted or transferred.

D. Cross-Rostering

Section 1. Cross-rostering will be done on an intra-district basis as defined in these negotiations. It shall be applicable to all rostered personnel within a district contingent upon non-priority work or lack of work, as determined by management, existing in one department and a need in another.

Section 2. Cross-rostering will be used to fill jobs on a temporary basis due to such things as illness, vacation, temporary peak work periods and temporary jobs.

Section 3. Cross-rostering shall not be used to fill permanent vacancies. These vacancies will be posted.

Section 4. Cross-rostered employees will receive the higher of their rate or the rate of the job to which they have been cross-rostered.

Section 5. In the case of the 1 - 3 day assignment, the Company reserves the right to select the junior-qualified individual. This shall be the junior person in the roster which has non-priority work, unless he has previously been disqualified. When a person has been disqualified, the reasons for the disqualification will be discussed with the Union. At local option, a pre-canvass list may be provided.

Section 6. Cross-rostering assignments may be made for periods of one day or less without prior notification. This shorter-term cross-rostering will be utilized to make more efficient use of manpower and to respond to work load. An individual employee could not be given more than two

cross-rostering assignments in one day outside his normal classification.

Section 7. Cross-rostering for one day or less without prior notification will not cause displacements or change existing agreements or practices such as assigning the junior-qualified employee or use of personal vehicles.

Section 8. In the case of longer assignment, the method of selection will be determined at the local level either through canvass or seniority as long as a qualified individual is provided.

Section 9. In rosters with automatic progression, a person cross-rostered will be given additional time equal to the period of his cross-roster assignment to qualify for advancement. Further, the date of his advancement shall be retroactive to the date he would have been advanced if not cross-rostered.

E. Roving

Section 1. Roving will be applicable to all T&D physical workers, Operations Technical Reps, Stores, Transportation, and Metering Services (Roster A) employees.

- a. Roving personnel and work assignments shall not be restricted by Union jurisdiction.
- b. Management will determine needs and schedules and advise Union Business Agents or local Union Presidents when a decision is made, but in no case less than seven (7) calendar days. The one exception to this may occur in the Stores Department when operating problems require shorter notification. In the case of shorter notification, the existing local practice will continue.
- c. Base work of district to be determined by Management and reviewed annually with the Union, and will be reviewed quarterly if there is a change.
- d. Roving is optional for 50% of all first class and rated employees who are on the roster as of March 1, 1978. (When only one such person remains on a roster, roving does not apply to that individual).
- e. All roving assignments will be related to standard classification duties.
- f. All roving personnel may be co-mingled with local personnel on job assignments.
- g. Mandatory roving will be limited to 70 miles per Mile-O-Guide and Per Diem Schedule. Where there is a discrepancy with "Milo Guide" in the retail company operation, actual mileage will be used for determining the appropriate expense amount under the per diem schedule.
- h. Roving assignments will be rotated where possible on a 6-8 weeks schedule, and hardship cases will be reviewed on a local basis. It is understood that junior qualified employees may be required to remain on a roving assignment longer than 8 weeks due to the lack of availability of qualified personnel.
- i. Leap frogging will not be a standard practice; however, Management reserves the right to effectively respond to System needs, caused by unscheduled priority work.
- j. Roving personnel will be from the nearest district if manpower and schedules are available/suitable.

- k. All roving personnel will work the scheduled hours of the district requesting the manpower. Management will attempt to accommodate alternate Union proposals wherever possible.
- l. Roving personnel assigned to another district, previous to or at the time of any emergency within the district, will not be considered an outside crew for application of the Emergency Storm Work Premium, unless assigned to emergency work for more than 24 hours.
- m. Roving personnel will be eligible for incidental overtime as it relates to the assigned work or project.
- n. Roving personnel will be eligible for emergency overtime at their normal base provided they have personal tools readily available.
- o. Incidental or short-term absenteeism of roving personnel may be filled, if necessary, from home base.

Per Diem Schedule:

Less than 10 miles	\$ 5.00
10 miles but less than 20	\$ 7.50
20 miles but less than 30	\$14.00
30 miles but less than 40	\$17.00
40 miles but less than 50	\$21.00
50 miles but less than 60	\$25.00
60 miles but less than 70	\$40.00
70+ (Optional by Business Manager)	\$45.00

Section 2. The Districts may establish permanent satellite locations as may be necessary to accomplish area work load. Permanent means that the Company intends to conduct usual and customary business operations at such satellite locations as opposed to project or fixed time period operations. The Company reserves its usual rights to make changes in staffing levels and satellite locations.

Section 3. These satellites will be staffed via canvassing within the local union and district where established in accordance with mutually understood union boundaries. If unable to obtain the required staffing through a voluntary process, junior qualified employees will be assigned as necessary. Persons reporting to these satellites will not receive per diem payments.

Section 4. In the event that an employee so assigned to a newly established satellite location is, within one year of such assignment, subsequently roved to another work site pursuant to this language, per diems shall apply from the better of the former work location or the new work location for the duration of the rove.

Section 5. If, as the result of unforeseen circumstances, a satellite is discontinued prior to a year of operation, employees who had been assigned to that location will receive per diem payments as if they were roving from their base of operation to the new reporting location for the period of assignment.

Section 6. There shall be no restrictions on the right of the Company to rove any of its employees into any area based on union representation status.

F. Use of Constructions Services And Outside Contractors

Section 1. Function

- a. Construction Services of the New England Power Service Company or outside contractors may be utilized to perform services for the System Operating Companies.
- b. Assignment of overhead transmission or distribution work activity to Local Operating Company forces, New England Power Service Company or outside contractors will be at the discretion of management.
- c. Local Operating Company forces shall not be reduced as a result of the use of New England Power Service Company or outside contractors in activities normally performed by the Operating Companies. These local forces shall be increased as often as base workloads increase so as to justify additional personnel on a full-time continuing basis.
- d. Operating Companies which utilize other services of Construction Services such as the Electrical Services Department, will continue to operate as they have in the past with regard to working conditions and overtime.

Section 2. Notification

- a. When the Operating Company assigns work to Construction Services or outside contractors, the Union will be advised of the expected starting date and duration.
- b. Upon request of the local union, the Company will schedule quarterly meetings to review the Overhead Lines work load and the potential assignment of work to NEPSCO and outside contractors. The local Union President will be advised of the nature of the work and the reasons to submit the work to outside forces. He/she will be allowed to give the Union's input of how the Local may do the work in lieu of outside forces.
- c. If NEPSCO is running a distribution line operation, such employee will be utilized prior to outside contractors.

Section 3. Overtime

- a. Outside contractors working under a time and materials contract may perform overtime work associated with their work assignments and the Local forces will share this overtime on an equal basis.
- b. Transmission line construction ($\geq 69,000$ volts), fixed price distribution contracts, and incidental overtime to finish the job for the day (2 hours or less) will not be matched by Local forces.
- c. Whenever contractors must work any hours outside of their normal schedule, in order to give their employees a basic 40-hour work week, such as make up for lost time due to weather, those hours will not be matched.

Section 4. Working Conditions

- a. Construction Services will adhere to the local practices in matters of inclement weather and safety.
- b. Outside contractors will adhere to Federal and State safety regulations applicable to their

operations. Any time local forces (or Construction Services) and outside contractors are working together on the same project or in close proximity, each group shall be made aware of the presence of the other, each group shall be advised of the scope of work being performed by the other, and of any different work practices known by the Company.

- c. Construction Services and outside contractors may use different starting hours, time and length of lunch period and quitting times.

Section 5. Emergencies

Provisions relative to notification are waived in time of System emergencies.

ARTICLE VI - REDUCTION IN FORCES

A. Furloughs

Section 1. If there is a reduction in forces during the term of this agreement, and attrition is accomplished by not filling vacancies in bottom classifications in a roster, the Company will give consideration to normal promotions to existing vacancies in higher classifications in the roster.

Section 2. In case of furlough, affected employees will be notified three weeks prior to the date of furlough.

Section 3. Furloughed employees who accept temporary positions during their two-year recall period will receive normal wages for holidays occurring during the period of temporary employment and will be covered under the Company Medical and Life Insurance programs. Such employees will not accrue service for coverage under the Company sickness program or for seniority purposes, nor will it constitute a break in the furlough period.

B. Wage Reduction Plan

Section 1. While the Company has no present intention of laying off any employees, it is recognized that changes in the nature of the Company's business and other reasons which may or may not be anticipated at this time, may cause a reduction in forces or a layoff.

Section 2. However, no employee in the bargaining unit with 5 full years of service as of May 12, 1994, will be laid off or reduced in pay ("years" means actual elapsed time, not ERISA pension years). Such employees, when affected by a reduction in forces, may displace other employees of the Company pursuant to the Seniority Provisions. If reduced to a lower rated job classification, the employee is required to bid vacancies they are qualified to perform as they may occur in the former classification or in other higher rated jobs unless the Company and the Union mutually feel there are extenuating circumstances. All assignments will be made in accordance with the Seniority Provision of the contract. Any employee required to bid on a job in accordance with this paragraph who is the successful bidder, may elect to decline the job and remain on the job to which the employee has been displaced, but at the time of this election, the employee's pay shall be reduced to the rate of pay of the job to which the employee has been displaced.

Section 3. In the event that the jobs of employees with less than 5 full years of service as of May 12, 1994, are eliminated for any reason and the employees are subject to a reduction in forces or a layoff, the Union will be consulted and every attempt made to achieve the reduction by attrition. Such employees may displace other employees of the Company pursuant to the Seniority Provision. If no jobs are available within the Company, the Union and the Company will jointly review the situation and attempt to find a solution that will mitigate the layoffs or the effects of a layoff on

affected employees. If no such solution is agreed upon, layoffs will occur in accordance with the Seniority Provision of the contract.

Section 4. Laid off employees may exercise rights described in the Severance Pay Plan. If an employee elects not to accept the Severance Plan, then they will 1) be eligible for recall and, 2) afforded employment opportunities for vacancies in other regulated and wholly-owned system companies in accordance with the rules for "Courtesy Posting For Furloughed Employees."

Section 5. For the term of this agreement, Meter Readers with job security as described above will be required to bid all rostered vacancies in their local at their current location for which they qualify or could qualify, except in the Line department. However, prior to actual displacement, such an employee will be permitted, if he/she chooses, to take one day's equity on the new roster but remain in Meter Reading until actual displacement occurs.

Section 6. All new entrants to the local on or after 5/12/99 are displaceable by IBEW/UWUA employees from other locals in the NEES companies with job security pursuant to this section.

ARTICLE VII - HOURS AND DAYS OF WORK

A. Hours and Days

Section 1. The normal work day shall consist of eight hours and the normal work week shall consist of five days. The wage for each class of work shall be in accordance with the schedule marked "Schedule of Wages" hereto attached and hereby made a part hereof, subject to the provisions contained therein or appended thereto relating to employees who are now receiving less than the ultimate wage for their class of work.

Section 2. Regular work schedules shall be established through collective bargaining and once established shall not be changed except through the collective bargaining procedure, including the application of Article XVI - Settlement Of Disputes.

Section 3. The Company will make every effort to give notifications of scheduled weekend work by noontime on Friday.

Section 4. All T&D physical workers and "Operations Technical Representatives" will be paid a fixed 20-minute lunch period between 12 noon and 12:20 p.m. at the job site for 12 months of the year.

B. Days Of Relief

Section 1. If an employee is called in or assigned to switch on days of relief, he will be paid the minimum.

Section 2. If such employee is told to return later in the day to switch, he will be paid time and one-half for elapsed time.

Section 3. If, however, such employee is not required to return to switch but is free to go when he pleases after original switching without any obligation to remain available or return, there is no obligation to pay time and one-half for elapsed time in the event he is called in again to switch. In such a case, two minimums will be paid.

Section 4. The dispatcher or supervisor should make it as clear as possible whether the employee is:

- a. Required to be available and/or return later, or
- b. Free to go anywhere after the original switching with no obligation to remain available or return to do other switching.

Section 5. If such employees are available pursuant to the Off-Hour Coverage provision, the two minimums will apply as in the past.

C. Flex Time

Section 1. Job postings after 5/12/99 in any T&D department will stipulate the possibility of a work schedule of four consecutive ten-hour days, Monday through Thursday, or Tuesday through Friday, from 7:00 a.m. to 5:00 p.m., between April 1 and October 31 of each year. If the Company intends to fill the job(s) posted on a four ten-hour basis other members of the department will be offered the schedule first. If the job is initially filled on a five eight-hour day basis and the Company makes a later determination of its intention to implement this work schedule, it (they) will be offered to the current department members first. If there are no other employees interested in working such a schedule, the junior employee(s) entering the department after the initiation of such posting will be required to work the revised schedule.

Section 2. Paid time off for employees working such four ten-hour day schedules will be charged on an hourly basis. If a holiday falls on a day of relief during the period of time in which the employee is working four ten-hour days, the employee has the option of ten hours of straight time pay or ten hours of compensatory time off at a later, mutually agreeable time. Days of Relief for employees working four ten-hour days will be Saturday and Sunday.

D. Inclement Weather Policy

Section 1. No outside work where employees will be exposed to extremes of weather, except of an emergency nature, shall be performed by the Overhead Lines and Underground departments during rainy and stormy weather, 10 degrees for cold weather and 90 degrees for hot weather. For other classifications affected by exposure to the elements (rain and snow but not extremes of temperature), supervisors will attempt wherever possible to rearrange work schedules or assignments to avoid unreasonable exposure to extremes of weather.

Section 2. In the implementation of the Inclement Weather Policy, the parties agree as follows:

- a. Fog, mist and light precipitation are not considered to be rainy or stormy weather. It is not the Company's intent to compromise its rigid safety standards, nor is it the intent of the Company to require the employees to work for prolonged periods in light precipitation where the health of the employee is jeopardized.
- b. A central temperature device (U.S. Weather Bureau standards) shall be utilized for each district headquarters and other selected* locations. Employees affected shall be notified when the temperature becomes extreme. (10 degrees or 90 degrees F). A local shop steward or selected Union member may have access to the indicating thermometer or log.

*Salem and Lebanon, N.H., North Adams, Great Barrington

- c. In all weather conditions, employees may be assigned any work which is within their skills and abilities in protected locations. They will travel to and from the job site or location and load or unload vehicles. It is the intent of the Company in the application of this item of the Inclement Weather Policy that the Overhead and Underground line crews shall not be required to drive to the job site to perform outside work when the outside temperature is above 90 degrees or below 10 degrees F unless the temperature gradient indication at the

time of departure from the base location is such that the temperature will be above 10 degrees F or below 90 degrees F at the time of arrival at the work site.

- d. The following types of work will be performed outside in other than rainy or stormy weather and extremes of temperature:
1. Street light work
 2. Switching and grounding
 3. Cable splicing (with protective equipment if necessary)
 4. Pulling cable
 5. Motorized patrol in enclosed vehicles
 6. Trenching, installing conduits and conductors and foundations
 7. Substation construction on de-energized or isolated work
 8. Dead line work
 9. Pole sets without displacement or covering of energized conductors
 10. Manhole/vault inspection and maintenance
 11. Material handling, delivering and unloading
 12. Snow removal and sanding incidental to operations
 13. Secondary work in support of customer commitments

None of the above 13 items are intended to require personnel to work on energized primaries or secondaries with the exception of #1, #2, and #13. Number 2 is not intended to create dead line work and #'s 1 and 13 will require a two person crew.

E. Procedure On Rest Periods

Section 1. Employees who are required to work overtime between midnight and the beginning of their normal work day, will be entitled to a minimum aggregate of six hours rest, (exclusive of travel time and scheduled lunch period), between midnight and the beginning of their normal work day. If such rest time and travel time extend into the normal work day, no deduction in pay will be made for the hours overlapping the normal work day. This rest time may be taken at the latter part of the normal work day. However, if because of interruption to service, or any other need to maintain an adequate work force, the rest time is not possible in the next normal work day, or if it is on a day of relief and the employee works overtime, so that he is unable to take this rest time, compensating time off, equivalent to the rest time, will be given at a later mutually agreed upon date.

Section 2. In any twenty-four hour period, an employee who has worked continuously 16 hours or more, shall be entitled to eight hours rest (exclusive of travel time and established lunch period). If such rest period should overlap employee's normal work day, he shall suffer no loss of pay for time involved. However, if because of interruption to service, or any other need to maintain an adequate work force, this rest period is not possible in the next normal work day, or such rest period runs into a day of relief or holiday, compensating time off will be given at a later mutually agreed date for the time which overlaps the normal work day (normal work day on day of relief or holiday being that of last regularly scheduled work day).

Section 3. Under sections (1) and (2) above, compensating rest time accrued, in excess of 16 hours, must be taken within a specific period of time, to be determined locally, after discussion between the union and management.

Section 4. It is intended that (1) and (2) may be applied to shift workers but it is intended that assignment of overtime in (1) requiring this application to shift workers be avoided if possible.

Section 5. In the administration of Rest Time, if it is required that an employee, in order to take his rest time on the same day on which it is earned, be expected to report for work for two hours or

less of his regularly scheduled work day, he will be excused for the remainder of that scheduled work day. This does not apply to the application of deferred compensating rest time.

Section 6. In the administration of the Emergency Storm Work Premium (under Article IX) wherein it states that the Rest Period Procedure does not apply, it is intended that an employee who has worked continuously for 16 consecutive hours be given at least six hours rest and be paid at straight time rate for that rest time, but if it is not given, the employee will be entitled to compensating rest time at a later time for that part of the six hours rest time which was not given.

ARTICLE VIII - MEAL PERIOD

Section 1. If an employee is called out to work in an emergency such that hours worked occur during a meal period, they will be entitled to a meal allowance of \$11.00 for meal periods of 6:00 a.m. to 7:00 a.m., 12:00 p.m. to 1:00 p.m., 5:00 p.m. to 6:00 p.m. and 12:00 a.m. to 1:00 a.m. Allowances of \$11.00 will be paid every five hours thereafter, for the duration of the emergency off hour work. If any meal period or meal periods are missed, one thirty-minute period of overtime will be added to actual hours worked.

Section 2. If, in the course of a normal workday, the employee works through the noon meal period, they will be paid a meal allowance of \$11.00. If the employee is unable to take the meal period prior to the end of the normal workday, he/she will be paid an additional one-half hour of overtime.

Section 3. If an employee is called out to work in an emergency before the start of the workday and they work through the breakfast meal period and continue to work on a normal day, they will receive two allowances of \$11.00 each (breakfast and noon meal periods). If they are scheduled for planned overtime 3 hours or more before the normal start of the workday, they will be entitled to two allowances of \$11.00 each. If they are scheduled for planned overtime in excess of one hour but less than 3 hours before the normal start of the workday, they will be entitled to one allowance of \$11.00.

Section 4. For shift workers required to work extended days, the first meal period shall commence the same number of hours or fractions thereof after the end of their shift as is the case for day workers in the same department. For example, where the T&D department is on a 7:00 a.m. to 3:00 p.m. day schedule, the first meal period is two hours after the end of the shift. Therefore, Trouble Shooters working on shift would be entitled to their first meal two hours after the end of their shift.

Section 5. In the event that the Company supplies meals during an emergency, each meal supplied will be deducted from the entitled allowances the employee would have received every five hours. This does not apply to boxed lunches.

Section 6. Meal allowances do not apply to planned overtime on days of relief which occur within the normal workday schedule unless the meal period is not provided in which case the \$11.00 allowance is payable as in #2, above.

ARTICLE IX - COMPENSATION

A. Pay

Section 1. The following conditions shall apply to employees who are now or may hereafter be paid less than the Ultimate Wage Rates in Section C, Schedule of Wages:

- a. Upon the effective dates, each classification will receive the ultimate wage rate of the class except that the established increase will be applied: (1) to the ADJUSTED pay rate under the Disability Retrogression Pay Plan for employees hired before May 12, 1989, and (2) in all other cases where the rate on the effective date is either above or below the ultimate wage rate, to the ultimate wage rate. If upon the effective dates of said schedule the rated wage of any class exceeds the present wage of any permanent employee other than a probationary employee in the class, the wage of such permanent employee in the class shall be increased to the ultimate wage rate of his class.
- b. When after the effective date of this Agreement, any permanent employee, other than a probationary employee, is promoted or transferred to any new or different position and the applicable rated wage of the class to which he is promoted or transferred exceeds the wage he is receiving when promoted or transferred, then the wage of such permanent employee shall be increased to the ultimate wage rate of the class to which he is promoted or transferred.
- c. When employees are temporarily assigned to higher classes of work for periods of three hours or more during a regularly scheduled day, they shall receive the higher wages for the full day. If assigned for periods of less than three hours, but more than one half hour, they shall receive the higher wages for actual time worked.
- d. New employees hired on a permanent basis during the term of this agreement will receive a wage that shall be not less than 75% of the ultimate rate for the class of work to which they are first assigned, promoted or transferred during their probationary period. After a period of six months of continuous employment and the completion of the probationary period, employees will then receive an increase in wages to the ultimate rate of their class.

Section 2. Change in the handling of paychecks will be implemented in accordance with Attachment V of the Memorandum of Understanding of Items Agreed to During Negotiation of New Labor Agreement - May 16, 1995.

B. Premiums

Section 1. Shift Differential

Employees assigned to classification requiring work on shifts shall receive, in addition to their regular rate, a premium of \$1.10 per hour effective 5/12/99, \$1.15 per hour effective 5/12/00, \$1.20 per hour effective 5/12/01, and \$1.25 per hour effective 5/12/02, for the time worked on the second (evening) shift and on the third (night) shift. This applies to overtime only if the employee is filling a vacant shift; to call ins only if the employee is filling a vacant shift; it would apply to vacations; it would apply to holidays if a holiday fell on the employee's scheduled shift; and it would not apply to sick time.

Section 2. Sunday Premium

A premium of 25% of base hourly rate (for three shifts that predominantly occur on Sunday) will be paid for all time worked on Sundays and added for each hour worked if part of the employee's regular shift. This will apply to overtime only if the employee is covering a shift; to call ins only if the employee is covering a shift; it will apply to vacation; it is not applicable to holidays; and will not apply to sick time.

Section 3. Premium Wage for High Structures

A premium of \$2.00 per hour or \$16.00 per day will be paid for the day to an employee who

climbs at least once to a height of 85 feet or over. This will apply to overtime, if the employee is so assigned; to call ins, if the employee is so assigned; it will not apply to vacations; it is not applicable to holidays, and it does not apply to sick time.

Section 4. Acting Foreman Premium

A premium of \$1.00 per hour will be paid as long as the shift is three or more hours and should be considered an upgrade. This will apply to overtime; it will apply to call ins; it will apply per the Supplementary Vacation Provision #3; it would apply to holidays if the upgrade would have occurred; and it will not apply to sick time.

Section 5. Crew Size Premium

A premium of \$2.00 an hour will be paid to a crew leader when running two or more crews. This premium is continued with an agreement to conduct a canvass each Friday for the following week which will identify those Crew Leaders to whom multi-crew work assignments may be made, upon which assignment, the premium will apply. This will apply to overtime, when assigned; it will apply to call ins, when assigned, it will not apply to vacations; it will not apply to holidays; and it will not apply to sick time.

Section 6. Second Day Of Relief Premium

- a. An employee who works on his second day of relief will be paid double time for all hours worked, providing the employee has also worked on the preceding first day of relief. This applies to Overtime; this applies to call ins; it is not applicable to vacations; it is not applicable to holidays; and it is not applicable to sick time.
- b. If the second day of relief occurs on a holiday, the holiday premium only will be paid and these premiums will not be pyramided.
- c. For Monday to Friday workers, for the purposes of this premium payment, the first day of relief is Saturday and the second day of relief is the next succeeding Sunday.
- d. For shift workers, or those on any other schedule, the first day of relief and the second day of relief will be as allocated according to the payroll work week. However, in all cases where there is a fixed schedule with two consecutive days of relief, the second day of these two days of relief will be the second day of relief for the application of this premium without regard to the payroll work week.
- e. In no event will the double time premium be paid more than once in any payroll work week.
- f. This second day of relief is based on a five-day work week fulfilling the weekly work requirements with two other days, usually consecutive, being considered days of relief. Therefore, any work week not filling this basic requirement will have to be considered specially.

Section 7. Emergency Storm Work Premium

- a. It is sometimes necessary to assign employees of the Overhead Lines Department outside their District because of severe storms causing extensive interruptions to service.
- b. When these employees are so assigned to work outside their District for a period of more than 24 hours, including travel time, the method of payment will be as follows:

- c. The outside physical workers so assigned, will be paid for working time at the rate of one and one-half times their regular straight time rate, and for rest time at their regular straight time rate.
- d. The Rest Period Policy will not apply during this emergency work when employees are being paid under the above paragraph, but every effort will be made to give employees adequate rest time. It is intended that an employee who has worked continuously for sixteen hours be given at least six hours rest and be paid for this rest time at his regular straight time rate, but if it is not given, the employee will be entitled to compensating rest time at a later time for that portion of the six hours rest time which was not given.
- e. If a holiday occurs during this assignment, working time shall be paid for at the rate of two and one-half times their regular straight time rate and rest time at the regular straight time rate.
- f. When the assignment is completed and the employees have returned to their own district, the normal method of payment and rest time procedures will be in effect.
- g. The outside physical employees in the working area of the district to which outside System employees have been assigned, will be paid according to the same premium method as the assigned crews and the rest period application will be the same, beginning at the time the first outside crew is assigned to the district and continuing until the assignment is complete and the crews have been released, at which time the normal method of payment and rest period application will be in effect.
- h. Construction Services crew working previous to and at the time of the emergency within a district will be not considered to be an outside crew for the determination of the paragraph above.

Section 8. Emergency Storm Work Premium - Stores, Garage, Operations Engineering, Metering Services and Customer Service Departments

- a. It is sometimes necessary for employees in the Stores, Garage, Operations Engineering, Metering Services and Customer Service Departments to work extended hours because of severe storms causing extensive interruptions to service.
- b. When employees in the Overhead Lines Department work outside of their district due to such conditions and they qualify for the payment of the "Emergency Storm Work Premium", which is provided for in this agreement, the Company's method of payment to employees in the Stores, Garage, Operations Engineering, Metering Services and Customer Service departments working in the district receiving outside crews will be as follows when they work the extended hours set forth below:
- c. Employees in the Stores, Garage, Operations Engineering, Metering Services and Customer Service Departments, who are assigned to work twelve (12) consecutive hours or more during such times will be paid for their working time at the rate of one and one-half times their regular straight time rate.
- d. Such employees will not receive any pay for rest time during such times, and they shall only be entitled to receive the pay set forth in paragraph above when the Overhead Lines Department employees working outside their district are entitled to receive emergency storm work premiums.
- e. The Rest Period Policy will not apply during this emergency work when employees are

being paid under the first paragraph, but every effort will be made to give employees adequate rest time. It is intended that an employee who has worked continuously for sixteen hours be given at least six hours rest. If it is not given, the employee will be entitled to compensating rest time at a later time for that portion of the six hours rest time which was not given.

- f. Work schedules will be changed when necessary to meet the service restoration requirements. The Company does not intend to change shifts to avoid paying regularly accruing premiums on days of relief or holidays.
- g. Employees in the above named departments when assigned as outside physical workers will be paid under the provisions of the Emergency Storm Work Premium - Overhead Lines Section 7.

Section 9. Off-Hour Coverage Premium

Employees who are available for emergency calls in accordance with a written schedule posted by the Company during periods other than their regularly scheduled work day or work week, shall be paid \$10.00 per day, or \$70.00 per week. Such employees will be paid an additional \$10.00 per day each for days of relief and holidays. If a holiday falls on a day of relief, such additional payment will be limited to \$10.00.

Section 10. Assignments To Off-Hour Coverage

Assignments pursuant to the Off-Hour Coverage provision will be made for weekly periods. Wherever assignments have heretofore been made pursuant to such provision, such assignments will be continued for weekly periods during the term of the agreement.

C. Overtime

Section 1. All employees regularly scheduled to work eight hours within a day shall be paid overtime at the rate of one and one-half times their regular rate for all hours worked in excess of eight per day or forty per week; employees normally scheduled to work more or less than eight hours within a day shall be paid overtime at the rate of one and one-half times their regular rate for hours worked in excess of such scheduled hours per day or forty per week provided that no employee shall be paid both daily and weekly overtime on account of the same hours of overtime worked.

Section 2. Employees when required to work on their regularly scheduled days of relief shall be paid overtime at the rate of one and one-half times their regular rate.

Section 3. "Regular rate" for the purpose of this Article shall mean the regular weekly wage of such employees divided by forty.

Section 4. Effective 5/12/99, all overtime hours worked on Sunday will be compensated at the rate of double time.

Section 5. Response To Overtime

- a. Because of the nature of our business, and our need to provide 24-hour a day service to our customers, it is necessary that employees work a reasonable amount of overtime - planned and unplanned.
- b. In departments where management determines there is no problem with response to overtime, local practices may continue. Where management determines there is an overtime

response problem, a meeting between local management and the Union will be held. The Employee Relations Manager will attend this meeting.

- c. Following this meeting, local practices may be replaced by the following policy:
 1. The concept of equalization of overtime will not apply to unplanned overtime call lists.
 2. Employees shall furnish an acceptable means of off-hour contact by telephone.
 3. Employees who do not respond to a call will be charged with an instance for lack of response (exception - employees who are out on authorized absences). Employees shall not be charged with more than one instance in a twenty-four hour period.
 4. The lack of response records of employees will be reviewed on a periodic basis. Consideration will be given to the number of instances, the reasons for lack of response and the average response record of the employees in the department. If, as a result of this review, management considers that an employee's lack of response record is excessive, the employee will be reminded of his or her obligation to share in necessary overtime in an informal meeting with his supervisor. A continuing unsatisfactory response record will result in a formal meeting with the employee, and the employee will receive a written warning. A continued unsatisfactory response record may result in more severe disciplinary action.
 5. A 25% response rate is established as the group standard for response to overtime. For this purpose, the measure is calculated as the percent of calls made which result in a report to work. Employees who have worked 400 hours or more overtime in the preceding twelve months will be deemed to have met the standard regardless of acceptance rate to call outs and will not be subject to intervention consequences. This standard is to be measured on a going-forward basis only in 6 month increments ending each calendar quarter following an adequate notice period to all affected employees.
 6. Contractors may be utilized if an inadequate response rate continues.

Section 6. Minimum Payment For Certain Overtime

- a. Employees subject to this agreement shall be paid a minimum of three hours pay at time and one-half or overtime pay for actual hours worked, whichever is greater, for each time called out during unscheduled hours.
- b. This minimum shall not apply in any case where employees are assigned to work continuous overtime from the end of their regular work day or assigned to work one hour or less immediately prior to the beginning of their regular work day. Overtime rate for actual time worked shall be paid for this continuous time.
- c. If such employee is scheduled in advance for overtime work on a day of relief, he will be paid the minimum if the overtime work is canceled unless he is notified of the cancellation prior to the close of the preceding regularly scheduled work day. If no such notice is given, the employee will report for work as scheduled, unless otherwise notified.
- d. If such overtime is scheduled on a regular work day, the minimum will apply unless the employee is notified of cancellation prior to the end of such regular work day.
- e. When an employee is called out during unscheduled hours, he will be credited with the time reasonably required beginning at the time the call is made to travel from his home to the

station or job and back to his home.

D. Miscellaneous

Section 1. The personal mileage reimbursement rate is increased to \$.31 per mile and the rate is tied to IRS pronouncements thereafter.

Section 2. It is agreed that it will be the practice to replace damaged clothing when it is ruined in unusual or extraordinarily dirty jobs.

Section 3. Employees assigned to work in emergencies in companies not affiliated with the System will be paid during this emergency assignment the prevailing straight time rate of the foreign company for their classification if it is higher, but this does not apply to any other rate of pay or working condition.

Section 4. Employees required to work away from their own areas on emergencies will be reimbursed for clothing and personal articles if not given proper notice.

Section 5. The Company will reimburse employees for 100% of the premium cost of licenses required by employees as a condition of employment in their classifications. The reimbursement is based on the cost of licenses and endorsements.

Section 6. For employees requiring a Class A or B Commercial Drivers' License, the Company will pay the difference between Class C and A or B.

Section 7. The Company will pay reasonable moving expenses if they are necessary and the move is required by the Company.

Section 8. The Company will provide annual cleaning allowances as follows:

Overhead and O&M	\$ 50.00
Underground	\$100.00

Section 9. Employees will be permitted at initial outfitting, to order size 2X or 3X for a set of clothes whose price for regular size is within the \$655 allotment, at no additional charge.

Section 10. In the event that OSHA adopts a standard requiring change to our Nomex clothing policy, the Company agrees to meet with the Union to discuss implementation of such revised standard.

Section 11. Allowance for work boots is \$85.00 per year for employees in Transportation and Stores.

E. Benefits

Employees subject to the provisions of this agreement shall be eligible for and entitled to the benefit plans listed below as set forth in "*Your Employee Benefits*" and "*Your Benefits At Retirement*" as modified by the Memorandum of Agreement dated May 12, 1999, all of which are incorporated into this agreement.

Section 1. Final Average Pay Pension Plan II

The Company pays the full cost of this plan.

Section 2. Incentive Thrift Plan

- a. Effective January 1, 2000, the Company Match is increased to:
100% of the first 2% of base pay
50% of up to the next 4% of base pay
- b. Effective with the completion of the merger with the National Grid, the Company intends to replace NEES shares as the Company Match with National Grid American Depository Receipts (ADR's).

Section 3. Active Employee Health Care

- a. The Company will maintain not less than the level of hospitalization and medical coverage as provided under Blue Cross/Blue Shield listed below at the date of this agreement.
- b. The Company will provide the Blue Cross-Blue Shield Student Program for children of full-time employees who are over 19 years of age but have not yet reached their 23rd birthday.
- c. If, in the future, benefits are provided by a different carrier, coverage will not be less than that in effect on the effective date of this agreement.
- d. Effective January 1, 2000, the Company contribution percentages for health insurance are:

Blue Cross/Blue Shield PPO	70%
Enhanced HMOs	85%
- e. Any HealthMate 2000 subscriber as of 5/12/99 who, as of 1/1/2000, elects to remain enrolled in that plan will be allowed to do so and retain dental coverage through RI Blue Cross/Blue Shield, paying the enhanced HMO premium co-pay.
- f. United Health Plan subscribers as of 5/12/99 will be given a one-time chance to move into HealthMate 2000, effective 1/1/2000.
- g. In structuring the applicable prices for the options above, the risk pool will be consolidated with all plans, all employees, at all locations. Prices will be set to offset the effect of adverse selection, and prices for each of the options will be the same for employees across the Company.
- h. Prices for the health care choices will be set on a current cost basis with a true-up process to take place after the completion of each calendar plan year which will refund or surcharge to employees a portion of the excess cost or savings realized under the program.
- i. If during the term of this Contract, any State or National Health Program is legislated and affects the Company costs in the benefit areas previously negotiated, the Company is willing to negotiate the redistribution of the savings to the Company, if any, by such action. Such redistribution shall be limited to the existing cost.

Section 4. Dental

Effective January 1, 2000, dental benefits as described herein will be available from Delta Dental. Only employees enrolled in Enhanced HMOs are eligible for these dental benefits.

Effective January 1, 2000, orthodontia coverage is added to the dental plan at 50% up to \$1,500 lifetime per child/student to 19/25.

Section 5. Disability Insurance

a. The Company contribution to the premium shall be as follows:

5/12/99	\$32.64
1/1/00	36.89
1/1/01	40.89

- b. Any additional cost to be borne by the employee. Any amount by which the Company contribution exceeds the insurance premium will be refunded in payroll to employees who are receiving gross wages.
- c. Effective with disabilities commencing on or after 1/1/00, the maximum benefits is \$3,100 per month.
- d. The Company agreed that if a disabled employee was denied benefits by the insurer after the first twenty-four months of disability, and the Company could not provide employment for the individual, and the individual had acquired the total of age and years of service totaling 60 at the time the employee began receiving Long Term Disability payments, the employee will be eligible for an early medical retirement under the conditions outlined in the Memorandum of Understanding of Items Agreed to During Negotiations of New Labor Agreement March 12, 1984.
- e. Employees are normally required to exhaust their active payroll benefits before becoming eligible for disability benefits under the Long Term Disability Plan. This would include all holiday, vacation, and occupational or non-occupational disability benefits. However, subject to agreement by the Company, employees may postpone vacation entitlement at the time they have exhausted occupational or non-occupational benefits and begin receiving benefits under the Long Term Disability Plan subject to the following conditions:
1. The maximum amount of vacation entitlement employees may postpone cannot exceed the vacation they would be entitled to in that calendar year.
 2. It will be the obligation of the employee or the Union to request vacation postponement under the terms described above prior to the time the employee exhausts occupational or non-occupational benefits.

Section 6. Basic Group Life Insurance

The Company pays the full cost of this plan.

Section 7. Group Universal Life Insurance

The employee pays the full cost of this plan.

Section 8. Retiree Health and Life Insurance

Effective with employees who become eligible for post-retirement health care on or after January 1, 2002, the Company contribution to post-age 65 coverage is modified as per Attachment XV to the May 17, 1999 Memorandum of Agreement.

Section 9. Broken Service

- a. The following rules regarding the reinstatement of prior service for crediting to sick pay, vacation time and service awards shall be in effect:
 1. If the prior period of regular full-time service was five years or more, then that service is now automatically and immediately recognized. Only years and months of actual full-time service should be counted.
 2. If the prior period of regular full-time service was less than five years, and the break in service was less than five years, then the prior service is recognized after one year of future service. Only years and months of actual full-time service should be counted.
 3. In all other cases, no credit for prior service shall be given.
- b. Rules for the crediting of service after a break in service under the pension plan are contained in Section 4.07 Reemployment in the Final Average Pay Plan II.
- c. Effective 5/12/99, employees must make specific claim for this adjustment and must supply as much information as possible to the Company.

Section 10. Educational Reimbursement

- a. It is the present policy of the Company to reimburse regular full-time employees with more than one year of continuous service, for 90 per cent of the net cost of both tuition and required textbooks for courses which are reasonably related to their present or perspective future work with the Company. Course approval in each case will be determined by the Company on the basis that both the employee and the Company will benefit from the additional schooling. The courses must be taken outside of working hours and must not interfere with regular work.
 1. Procedure for Application

The employee must complete an application form (800-25.20) available from the Employee Relations Department and submit it to his supervisor so that it may be approved prior to the starting date of the course.
 2. Procedure for Reimbursement
 - a) The employee should resubmit the approved application, upon completion of the course within the normal time specified, with passing grades as determined by the school. A certificate or other formal report from the school that the course has been successfully completed together with a final statement of costs for tuition and textbooks must accompany the application.
 - b) The Company will reimburse regular full-time employees, with more than one year of continuous service, for 90 per cent of the net cost of tuition, required textbooks and fees for courses which are reasonably related to their present or perspective future work with the Company. Such reimbursements will be paid at the beginning of the school semester. Appropriate documentation will be required to demonstrate the actual cost of tuition, books, and fees. The employee will be required to provide documentation of successful completion of the course. In the event that the course is not successfully completed, the Company will recover the previously reimbursed amounts for that course.

NOTE: The employee must still be employed by the Company when reimbursement is requested. The Company will make payments only to the employee. Such payments are considered as wages by the Internal Revenue Department and are subject to withholding taxes for Income and Social Security purposes.

Section 11. Dependent Care Assistance Plan

Section 12. Workers' Compensation Benefits

- a. The Company will pay the entire cost for benefits payable under State or Federal Workers' Compensation laws for disability caused by occupational injury or disease whether such benefit payments are made entirely by an insurance company or in part by State and Federal Authorities.
- b. Workers' Compensation checks are made payable directly to the employee by the insurance carrier.
- c. When an employee is involved in a dispute between two insurance companies as a result of a change in the Workers' Compensation carrier, the Company, on the request of the employee, or the Union, will evaluate each individual case and provide necessary assistance when the Company feels it is appropriate.
- d. The Company agrees to explore alternative dispute resolution methods for Workers' Compensation issues that would work to the mutual benefit of both the Company and the Union in helping to control costs.

Section 13. Severance Pay Plan

- a. Except as provided below, the Company will pay severance pay to eligible employees as follows:
 1. Regular employees who have completed three (3) years or more of continuous service and who are permanently released from employment because of reasons beyond the control of the employee concerned, shall be given an allowance of one (1) week's base pay at the rate of pay at the time of release for each full year of continuous service.
 2. Severance pay benefits shall not apply to employees:
 - a) Discharged for just cause.
 - b) Retiring from the Company (including early medical retirement).
 - c) Leaving on leave of absence.
 - d) In event of death.
- b. Severance benefits shall be in addition to any earned vacation benefits for which the separated employee is eligible.
- c. An employee shall not be required to accept severance pay. He shall have an option, effective up to two years following the date he receives from the Company notice of

termination, to accept or not to accept severance pay. In case he elects not to accept severance pay, he shall not lose his reemployment rights, but shall retain all reemployment or other privileges which the contract between the Company and the Union or which the practice of the Company provides.

d. Enhanced Severance Plan For Meter Readers

Effective May 12, 1999, the Enhanced Severance Plan as described in the June 16, 1997 Memorandum of Understanding will be continued for employees otherwise eligible for severance benefits (minimum of 3 years of service) who are severed as the result of implementation of AMR. Employees who are severed as the result of implementation of AMR, who are not otherwise eligible for the Severance Pay Plan (less than 3 years of service), will receive one week's pay per year of service. In addition to all other applicable requirements of the Enhanced Severance Plan, enhanced severance benefit payable as the result of AMR reductions are contingent on the employee working through the end of their assignment and being rated "Goal Achieved" or above as of the date of their severance.

Section 14. Moving Expenses

The Company will pay reasonable moving expenses if they are necessary and the move is required by the Company.

ARTICLE X - HOLIDAYS

Section 1. Employees subject to the provisions of this agreement shall receive normal straight time compensation on: New Year's Day, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veteran's Day, Thanksgiving Day, the day after Thanksgiving, the last scheduled workday before Christmas Day and Christmas Day plus one floating holiday (the employee's birthday) which is subject to the Supplementary Holiday Provisions below. This subdivision does not apply to employees who are not paid for the week in which the holiday occurs, with the exception of employees on the active payroll, absent due to illness or injury.

Section 2. If employees work on such holiday in their normal schedule, they shall receive in addition to the first paragraph one and one-half times their straight time rate for all hours worked in that schedule.

Section 3. If employees are assigned on such holidays to work hours outside their normal schedule (normal schedule on days of relief being hours worked in last regularly scheduled day), they shall receive two and one-half times their straight time rate for all hours worked.

Section 4. If on a holiday which falls on a regularly scheduled day an employee is absent during a sick pay period, his pay for the day will be charged as holiday pay.

Section 5. If an employee is absent but receiving vacation pay or authorized funeral leave, and the holiday occurs on his normal work day, the employee shall receive either an additional day off at a time to be designated by the Company, or normal straight time compensation for one day.

Section 6. If an employee is on a "no work-no pay status" he shall receive holiday compensation only if he works the scheduled work day prior to and subsequent to the holiday, unless the Company and the Brotherhood are satisfied by convincing evidence that such absence was justifiable.

Section 7. All eligible employees shall be paid for time not worked on recognized holidays, the wages or salary they would have received if such holiday had not occurred.

Section 8. It is intended that an employee on higher assignment for scheduled hours the day before a holiday and the day after the holiday, and who would have received the assignment pay if the holiday had not occurred, will be paid the assignment pay on the holiday.

Section 9. In lieu of the "Birthday Holiday" the employee may request a day off or normal straight time compensation for the day, and the request may be granted if it is mutually agreeable.

Section 10. An employee who is retiring prior to his Birthday Holiday will have that day added to the vacation allowance to which he is entitled on going into retirement.

Section 11. An employee who would have received a shift premium if he had not been forced to take the holiday off because his operation is shut down for the holiday; e.g., the North Andover Garage, will be paid the shift premium along with his holiday pay which would have been earned if worked.

Section 12. Under normal conditions, an employee will receive one day's pay as a result of a holiday falling on his day of relief. If the employee desires to have compensating time off in lieu of pay for the holiday, his supervisor will endeavor to arrange for a day off that is mutually agreeable and is consistent with the employee's wishes, the work load and will not result in any increased expense to the Company.

Section 13. An employee on Off-Hour Coverage for a week including a holiday may have a day off that is mutually agreeable. The day off will be subject to the workload and will not result in any increased expense to the Company and cannot be carried over into the next calendar year.

ARTICLE XI - VACATIONS

Section 1. Employees continuously employed prior to June 1 for less than one year, but more than six full months, will be entitled to a vacation with straight time pay for two normal working days for each full month of employment in excess of six months prior to such June 1.

Section 2. Employees, after one year of continuous service prior to June 1 of the year in which their vacation occurs, will be entitled to two weeks vacation with straight time pay.

Section 3. Employees, on the anniversary date of completion of five full years of continuous service, will be entitled to three weeks vacation with pay in that year.

Section 4. Employees, on the anniversary date of completion of fifteen full years of continuous service, will be entitled to four weeks vacation with pay in that year.

Section 5. Employees, on the anniversary date of completion of twenty full years of continuous service, will be entitled to five weeks vacation with pay in that year.

Section 6. Vacations will be granted according to schedules approved by the Company, and insofar as possible, seniority will govern. One of the three weeks, two of the four weeks and three of the five weeks of vacation for those employees who are eligible may be scheduled by the Company at any time during the calendar year which is mutually agreeable.

Section 7. Rate of Vacation Pay - An employee will be paid during vacation the normal wages or salary that he would have received if he had worked, including premiums regularly accruing,

except that:

If within three months prior to June 1 in any year, the rate of pay of an employee is reduced, then the rate of vacation pay for the number of days' vacation allowed will be based on the average of the normal weekly wages or salary of the employee for the fifty-two weeks prior to June 1 of the year in question, or for the period of employment for employees working less than a year prior to June 1 of the year in question.

Section 8. Employees who work a cumulative total of twelve weeks or more in higher rated classifications during the preceding calendar year will be paid vacation pay at such rates, or at the rate of their current classification, whichever is greater.

Section 9. An employee may select his entire vacation consecutively providing the selection beyond the normal two weeks does not cause a hardship to other employees or cost the Company abnormal overtime payments.

Section 10. It is agreed that where it has been the practice to allow employees to take their vacations less than a week at a time, such practice will be continued.

Section 11. In the event employees are unable to take their earned vacation prior to December 31 of any year because of sickness or injury, such vacation will be scheduled at a time set by the Company in the following year. At the request of the Union and subject to the possibility of operating conditions which make the granting of such request inadvisable, an employee may reserve all or part of a vacation, but not less than one week, in one year to be taken in the following year, and such requests shall be made by November 1. The rate of pay for such vacation will be that of the originally scheduled period.

Section 12. It is agreed that if a death in the immediate family occurs during a vacation, the days falling within the Funeral Leave procedure will not be charged to vacation time.

Section 13. In the event of an emergency, when an employee has been called in to work from his vacation, that is, he has completed his last scheduled day of work before vacation and has actually begun his vacation, this policy is as follows:

- a. If such an employee desires to reschedule the days of vacation interrupted by the emergency, he should be paid straight time for work during normal scheduled hours and time and one-half for work outside the scheduled hours.
- b. If such employee desires not to reschedule these days of vacation interrupted by the emergency, these days worked will be considered to be similar to a holiday and all hours worked on these interrupted vacation days will be paid for at two and one-half times the straight time rate.

Section 14. Payment of Vacation Pay to Employees Who Leave Employment

- a. Employees who leave the employ of the Company prior to completion of twelve months of continuous service will not be paid for unused vacation days.
- b. Employees who leave the employ of the Company on or between January 1 and May 31, with one or more years of continuous service prior to June 1, will be granted pay for their unused vacation for the year (at straight time) and, in addition, vacation pay (at straight time) at the rate for each full month employed after June 1st (and not to exceed the maximum) as follows:

<u>Years of Employment Prior to June 1</u>	<u>Days Pay For Each Mo. Post-June 1</u>	<u>Maximum Working Weeks</u>
1-4	1	2
5-14	1½	3
15-19	2	4
20 or more	2½	5

- c. Employees who are retired on pension at age 65 who have not had the vacation to which they are entitled prior to date of retirement will be paid vacation pay in lieu of vacation, provided, however, that such employee with thirty years or more of continuous service who retires subsequent to January 1 but prior to June 1, will be paid the full vacation pay which they normally would receive in that year.

**ARTICLE XII - SICK PAY, DISABILITY AND MEDICAL
LEAVE OF ABSENCE**

A. Sick Pay

Section 1. Occupational & Non-Occupational Disability Benefits

- a. For the first week of temporary disability, except as otherwise provided in succeeding paragraphs of Workers' Compensation Benefits, and subject to such evidence as may be required, normal wages or salary will be paid, whether the disability is of an occupational or non-occupational nature. In the case of an employee who has performed substantial amounts of work under more than one approved wage or salary rate prior to his disability, consideration will be given to the amount of work performed in each such class in establishing the wage or salary rate to be paid during the disability.
- b. After first week of a temporary non-occupational disability, subject to the limit outlined in the paragraph below and with the approval of the Company Manager or Division Superintendent, full normal wages or salary as defined in the paragraph above, to which the employee is entitled, will be paid for not longer than one week for each completed year of continuous service dating from the employee's original employment by either the Company or a presently or formerly affiliated company.
- c. After first week of a temporary occupational disability, subject to the limit outlined in the paragraph below and with the approval of the Company Manager or Division Superintendent, full normal wages or salary as defined in the first paragraph above less the amount of Workers' Compensation Benefits, if any, to which the employee is entitled, will be paid for not longer than two weeks for each completed year of continuous service dating from the employee's original employment by either the Company or a presently or formerly affiliated company.
- d. Limit on amount of benefits beyond the first week of a temporary disability - the determination of the number of weeks during which salary or wages will be paid beyond the first week of such temporary disability shall be computed at the beginning of each week as follows:
 1. From the total number of weeks of pay to which the employee is entitled, based on his completed years of service to that date, deduct the total number of weeks, and fractional parts thereof, of disability for which the employee received wages or salary

during the preceding 52 consecutive weeks, except that there shall not be any deduction for the first week of any previous temporary disability.

2. The foregoing limit shall be applied separately to:
 - a) Disabilities caused by sickness or non-occupational accident, and
 - b) Disabilities of an occupational nature.
3. Both shall not be combined for the purpose of determining the number of weeks during which salary or wages may be paid beyond the first week of temporary disability; i.e., an employee with ten years of service is entitled to a maximum of eleven weeks of sick pay as well as twenty-one weeks of pay less Workers' Compensation Benefits.
4. Should medical evidence indicate that the employee's disability is of a permanent nature and the employee is not expected to return to active service, subject to the limits set forth above, appropriate wage or salary payments for temporary disability will be made pending a decision on possible retirement of the employee. Such wage or salary payments made to an employee will be terminated automatically on his retirement date.

Section 2. TDI Integration

Company sick pay is fully offset by any and all statutory disability benefits. Effective May 12, 1999, the Company agrees to reimburse employees for the cost of the TDI tax by a single payment in each January for the prior calendar year. For 1999, the reimbursement period commences 5/12/99.

Section 3. Overpayment of Disability Benefits

- a. Wages or salary will not be payable whenever the disability of the employee is the result of an occupational or non-occupational accident which permits the employee to recover damages from a third party. Pending the outcome of settlement of his claim, subject to the limitations set forth in the third paragraph under Occupational & Non-Occupational Disability Benefits, appropriate wages or salary will be paid on condition that the employee agrees in writing on the form provided for this purpose (Form 672-27 or 672-16.1 attached) to reimburse the Company to the extent provided for in such form.
- b. In the event an employee is to be paid any wages or salary for a period of disability arising from an industrial accident for which he subsequently receives Workers' Compensation weekly payments, he shall be required to agree in writing that if the wage or salary together with the Workers' Compensation payments aggregate (for the period of disability for which both payments are made to him) more than his normal weekly wage or salary, he shall reimburse the Company for the excess. (See Form 672-29 attached).

Section 4. Lump Sum Insurance Settlements

- a. If an employee injured in an occupational accident makes a lump sum settlement with the insurance company in lieu of his receiving weekly Workers' Compensation Benefits, the benefits to which he may be entitled from the Company shall be computed for the period of his disability as though he were receiving weekly compensation benefits.
- b. In any case of a disability resulting from aggravation or relapse of a previous disability for which the employee has made a lump sum compensation insurance settlement and as the result thereof is ineligible for further Workers' Compensation Benefits, the salary or wages payable by the Company shall be computed as though the injured employee was receiving

such compensation benefits.

- c. No wage or salary payments by the Company will be made beyond the first week for periods of disability during which the employee is not under treatment by a recognized physician or practitioner. Wage or salary payments will not be made for disability caused by excessive use of alcohol or narcotics. No wage or salary payments will be made by the Company to any employee for disability resulting from the neglect or refusal of such employee to observe the Company's established safety rules or regulations if such employee has previously been warned.
- d. The Management may in its discretion, withhold payment of wages or salary during periods of disability from employees who engage in work other than for the Company or its affiliates.
- e. Nothing herein contained will be construed to prevent the Company from placing employees on a pay-as-you-work basis if such employee's absenteeism record justifies such action.
- f. Sick pay allowance is payable directly by the Company to the employee unless otherwise directed.

B. Medical Department Provisions

Section 1. Return of Employees Following Serious Illness

- a. The Medical Department is responsible for determining when an ill employee is well enough to return to work and what type of work he should be returning to.
- b. All employees who have been out for a serious illness such as:
 - 1. Heart Condition
 - 2. High Blood Pressure
 - 3. Cerebral Hemorrhage
 - 4. Diabetes
 - 5. Tuberculosis
 - 6. Serious Surgery
 - 7. Back Condition
 - 8. Broken or Fractured Bones - any type
 - 9. Joint Condition
 - 10. Mental Disease
 - 11. Any type of paralyzing disease

should have their condition checked by the Medical Department before returning to any type of work. Any case where there has been a serious illness not mentioned and there is any doubt as to the employee's ability to fulfill his regular job, it should be brought to the attention of the Medical Department before the employee returns to work.

- c. The Medical Department will contact the family doctor, see the patient, if necessary, and make whatever tests are necessary to determine whether or not the employee can safely return to work; and also determine the type of work, or what limitations there should be on the work that the employee performs.
- d. In any case where the Medical Department feels that the employee is not ready to return to work or that the work should be changed, they will consult with management giving the reasons and the limitations.

- e. All employees wearing casts, splints, braces, using crutches or canes must be cleared by the Medical Department before returning to work. There are certain conditions which must be clarified before the Medical Department will give its approval. The following conditions must be met before the Medical Department is contacted for approval:
 - 1. There must be a job that the employee can perform.
 - 2. The employee must be willing to do the work.
 - 3. The employee's attending physician must give permission to return to work.

Section 2. Department Procedures

- a. Employees who desire to consult the Medical Department should make an appointment through their supervisor.
- b. When the Medical Department, in accordance with the Disability Retrogression Pay Plan, decides that an employee should be retrogressed for physical disability, the Local Officers of the Union should be notified before the employee is told.
- c. Whenever an employee is denied a job because of physical reasons, the Union should be notified and the reason given before the employee is notified.
- d. An employee on medical restrictions will be notified of such restrictions, and the Union will be informed that such notification has been carried out, without reference to the specific restriction.
- e. When an employee is out sick or out as a result of injury and the Medical Department says he cannot return to work, the Union should be notified.
- f. If there is disagreement between the employee's physician and the Company Medical Department, arrangements should be made for the Union Representatives to talk with one of the Company doctors as soon as possible.
- g. If there is still disagreement, the matter may, upon request of either party, be referred to a third doctor, whose decision will be final and binding upon all parties. The third doctor will be selected by the Company Medical Director and the employee's doctor. If they are unable to agree upon the third doctor, a joint request will be made to the Dean of Harvard Medical School for choice of a third doctor in special field involved. In the event a third doctor is appointed, the Company Medical Director and the employee's doctor will have the right to submit the medical history of the employee and all other relevant information in their possession.
- h. If an employee who has been absent from work because of disability is advised by his doctor to return to work but is prohibited from doing so until approved by the Medical Department, the time required for the Medical Department to make a decision whether or not the employee may return to work will be paid time and not subject to the provisions of the plan for payment of disability benefits.

Section 3. DOT Compliance Physicals

DOT compliance physicals must be performed either by the Medical Department or one of its designated providers.

Section 4. Blood Testing

- a. The Company agrees to a one-time blood test for employees who may have been exposed to PCB.
- b. Blood lead testing for the Underground department is mandatory.

Section 5. Drug & Alcohol Testing

The DOT Drug and Alcohol testing policy is revised to "two strikes" with a required second test during rehabilitation no later than 45 days following the initial positive test. The Company agrees to work with its health plans to achieve maximum possible acceptance of EAP or other intervention counselor's prescribed treatment plans for employees testing positive. Employees with one or two strikes through 60 days following initial announcement of this change will continue to be subject to prior policy provisions.

C. Disability Retrogression Pay Plan

Section 1. Non-Compensable Disability

- a. In the event an employee with ten full years of continuous service or more becomes unable to perform his normal duties because of a disability for which he is not receiving Workers' Compensation Benefits, the Company shall provide him with work, provided he is able to perform such work. If such employee refuses to accept such work, the obligation of the Company hereunder shall be discharged.
- b. In the event an employee with less than ten full years of service becomes unable to perform his normal duties because of disability for which he is not receiving Workers' Compensation Benefits and if the Company is able to provide him with work which he is capable of performing, he shall be assigned to such work. If such employee is unable to perform such work or refuses to accept such work, the obligation of the Company hereunder shall be discharged.
- c. The employee's pay rate in either case shall be determined by the PLAN shown below.

Section 2. Future Retrogressions

- a. Less than fifteen years of continuous service at the time of retrogression
 1. An employee with less than fifteen full years of continuous service with the Company at the time of retrogression shall receive the higher of (a) the Ultimate Base Rate of the new job classification, or (b) the ADJUSTED pay rate based on the percentage of their base rate at the time of retrogression as indicated in the schedule below.
 2. The employee's pay rate shall be reduced to the Ultimate Base Rate or the ADJUSTED pay rate in steps as indicated in the schedule below to reach the new Ultimate Base Rate or the ADJUSTED pay rate exactly. The first step reduction shall occur at the time of retrogression.

FULL YEARS OF
CONTINUOUS SERVICE AT
TIME OF RETROGRESSION

ANNUAL
ADJUSTED PAY
RATE PERCENTAGE

REDUCTION
PERCENTAGE

0 - 4	80	4
5 - 9	85	3
10 - 14	90	2

b. Fifteen full years or more of continuous service at time of retrogression

An employee with fifteen full years or more of continuous service with the Company at the time of retrogression shall retain the ultimate pay rate of the classification from which he is retrogressed.

Section 3. Past Retrogressions

- a. Any employee who comes under the PLAN but whose date of retrogression occurred prior to the effective date of the new PLAN shall receive an ADJUSTED pay rate that is equal to their current pay rate. The new ADJUSTED pay rate shall become effective the date the new PLAN goes into effect. If such employee is again transferred to one or more lower rated classifications, the ADJUSTED pay rate upon such transfer shall be computed as outlined under, Future Retrogressions.
- b. If applying the new PLAN to such employees (using the date of retrogression) would produce a higher rate of pay, they shall receive the higher rate as their ADJUSTED pay rate.

Section 4. Compensable Disability

- a. In the event an employee with ten full years of continuous service or more becomes unable to perform his normal duties because of a disability for which he is receiving Workers' Compensation Benefits, the Company shall provide him with work, provided he is able to perform such work. If such employee refuses to accept such work, the obligation of the Company hereunder shall be discharged.
- b. In the event an employee with less than ten full years of service becomes unable to perform his normal duties because of a disability for which he is receiving Workers' Compensation Benefits and if the Company is able to provide him with work which he is capable of performing, he shall be assigned to such work. If such employee is unable to perform such work or refuses to accept such work, the obligation of the Company hereunder shall be discharged. The employee's pay rate in either case shall be determined as set forth under Future Retrogressions, subsection a., except that the following shall apply:
- c. If, at the time of retrogression, the employee is receiving compensation for partial disability, the Company will pay such amounts so that the employee's total compensation from the company and from such Disability Benefits will never be less than the ADJUSTED pay rate.

Section 5. General Provisions Applicable to Non-Compensable and Compensable Disability
above

- a. The date the employee commences work at his lower classification shall be considered as the date of retrogression.
- b. In all computations, only FULL YEARS of service shall be used.

- c. ADJUSTED pay rates established under the PLAN shall be figured to the nearest cent except where the rate figures exactly to a half-cent.
- d. An employee receiving an ADJUSTED pay rate under the PLAN shall hold the title of his new job classification with the word "SPECIAL" appended thereto.
- e. The Medical Department of the Company in all cases shall consult with such employee's family physician and in the event of disagreement as to the employee's condition and ability to perform the work of any particular class, the case shall be referred to a recognized specialist or clinic in the field of medicine involved, whose opinion will be final and binding upon all parties.
- f. No change in GROUP INSURANCE classification shall result from such retrogression.
- g. The Company may, in its discretion, withhold the provisions of this PLAN from employees who also engage in work for other than the Company or its affiliates.
- h. An employee transferred to another classification under this PLAN shall be assigned without posting the job.
- i. References to continuous service in the Company shall include service with affiliated companies.

NON-OCCUPATIONAL

_____ , _____
To _____ Company

I, (an employee of your Company), was injured in an accident on or about _____, _____, in no manner arising out of my employment by your or any affiliated company.

In the event you pay wages to me during my disability, it is agreed they shall have been paid and received with the understanding that if I am compensated for my injuries by any other party and the amount received is in excess of reasonable medical, hospital and legal expense incurred as a result of said injuries, I shall forthwith pay such excess to you up to the amount of wages paid me during my disability.

Signature of Employee

Witness

OCCUPATIONAL

To _____ Company

I, (an employee of your Company), while engaged in Company business,
was injured in an accident, involving a third party, on or about _____, _____.

In the event you pay wages to me during my disability, it is agreed they shall have
been paid and received with the understanding that if I am compensated for my injuries by
any other party and the amount received is in excess of reasonable medical, hospital and legal
expense incurred as a result of said injuries, I shall forthwith pay such excess to you up to the
amount of wages paid me during my disability.

Signature of Employee

Witness

_____ , _____
To _____ Company

I claim I was disabled as the result of an occupational injury on or about

_____, _____, while in your employ or in the employ of an affiliated company.

In the event my wages or salary or any part thereof are paid during my disability, it is agreed that it shall have been paid and received with the following understanding:

If I receive Workers' Compensation weekly payments for such disability and such wage or salary payments together with the weekly Workers' Compensation payments aggregate, for the period for which both Workers' Compensation payments and salary are paid to me, more than the normal weekly wage or salary payments as determined by the Company I would have received if working during such period, I shall forthwith pay such excess to you or, if I fail to do so, you may deduct the amount thereof from any subsequent payments of salary.

Signature of Employee

Witness

D. Procedure On "Pay-For-Time-Worked"

Section 1. Probationary Employees

- a. Each absence of a probationary employee will be carefully analyzed. The absentee record is an important factor in determining whether a probationary employee should be allowed to become permanent.
- b. Occasionally, an individual's record suddenly worsens directly following the probationary period. In such cases, consideration should be given to warning the individual of possible discharge rather than mere loss of sick pay and the Union should be advised of this action.

Section 2. Permanent Employee

a. The Record

Whether an employee should be called in for discussion of his poor absentee record will depend on a careful analysis of that record. Consideration should be given to such things as the number of absences (frequency), total days lost, exclusive of authorized absences (personal time, civic duties, union business, etc.) pattern of absence (past record, sudden change, regularity, days of week out), length of period over which absenteeism has been considered excessive.

b. First Interview - Informal

1. When such an interview is to be held with an employee whose job is covered by a labor agreement, the department head will invite the Union to be present if an informal discussion on absenteeism is to be held. The Union will be notified five days prior to the date of discussion. Following the meeting, the department head will send a letter to the employee summarizing the conclusions of the meeting, with copies going to the Union and the Employee Relations Department.
2. In the first meeting, the employee should be told of the difficulties in running a department when an individual is frequently absent and also that the Company's sick pay policy was not designed for such excessive absenteeism. If the employee would like to see the Company doctor, this should be arranged and the doctor's recommendation received. If the individual does not want to see the Company doctor, he should be told that his absentee record must improve or he may be put on a pay-for-time-worked basis. A continuing bad record may mean the individual is not employable.
3. This step will generally take place after 2 instances or a total of 5 days of short term absence in a rolling 12 month period. Long term absences count as incidents but not days.

c. Second Interview - Formal

1. The absentee record will be subject to monthly review, and if there is no substantial improvement after the warning, the department head should call in the employee and tell him that his attendance record continues to be a problem and that unless there is sufficient improvement, he may be put on a pay-for-time-worked basis and he may ultimately not be employable. Again, the Union will be invited to the interview. A letter will again be sent to the employee with copies to the Union and to the Employee Relations Department.
2. This step will generally take place after 3 instances or a total of 7 days of short term absence in a rolling 12 month period. Long term absences count as incidents but not days.

d. Third Interview - Pay-For-Time-Worked

1. The absentee record will be subject to monthly review and if there is no substantial improvement, the employee will be placed on pay-for-time-worked. He will also be told that he may not be employable. Again, the Union will be invited to the interview. A letter will again be sent to the employee with copies to the Union and to the Employee Relations Department.
2. This step will generally take place after 4 instances or a total of 9 days of short term absence in a rolling 12 month period. Long term absences count as incidents but not days.
3. Employees at any formal step under existing local agreements through 60 days following initial announcement of this change will continue to be subject to prior policy provisions.

e. Follow-Up

1. Failure to Improve -The absentee record of an individual on a pay-for-time-worked basis will be subject to monthly review, and if no substantial improvement is observed within one year, a discussion between the department head, the Employee Relations Department and the Union should be held to determine what action, if any, should be taken.
2. Improvement - If the employee's absentee record improves to the point where it is no longer considered excessive for a six months' period*, then the department head may restore sick pay benefits to the employee. If the employee's absentee record improves to the point where it is no longer considered excessive for one year, then the department head will restore sick pay benefits to the employee. When this is done, the department head should warn the employee that if his record again becomes poor, he will be put back on a pay-for-time-worked basis subject to a review at the end of a one year period. If sick pay benefits are restored as a result of this second review, and he again has to be placed on a pay-for-time-worked basis, this action will be for an indefinite period. Again the employee should be reminded that a continuing bad record may mean the individual is not employable. If sick pay benefits are restored as a result of this second review and the employee's record is satisfactory for a further period of one year, the warning will be removed from the employee's record, and the employee and the Union will be given written notice of this action.

*Exception: In case of dramatic action on the part of the employee designed to eliminate his absentee problem, for example, by having corrective surgery completed, the employee may be restored sick pay benefits immediately. Other cases due to acute illness and surgery creating extreme hardship in deserving instances will be reviewed on an individual basis.

3. Definition of Pay-For-Time-Worked - An individual on a pay-for-time-worked basis shall be paid only for those hours worked, except that he shall also be paid under the following circumstances as determined by the appropriate Company policy: vacation, holiday, death in family, jury leave, military leave, occupational injury, and authorized absences.
4. General - On occasion, an employee may feel that the Company is questioning the legitimacy of his declared illnesses. This is not the case. The above procedure is based on excessive absenteeism which is a matter of record. Therefore, this procedure would not cover an instance where an employee is known to have falsely claimed an absence due to illness, nor would it cover a situation where an employee failed to properly notify the Company of his absence.

ARTICLE XIII - LEAVES OF ABSENCE

A. General

Section 1. After three years service, an employee may be granted an unpaid leave of absence not to exceed five weeks and such leave of absence cannot be given more than once in three years except in unusual circumstances.

Section 2. All such leaves may be granted for reasonable cause, may not require more than reasonable extra costs to make the necessary adjustments, and decisions regarding them, while open to discussion with the Brotherhood, are wholly subject to management discretion.

Section 3. An employee with three years service may be allowed, at the option of management, to take a maximum of one year's leave of absence without pay. Employees, while on such leave of absence, will not accrue any service toward pension, vacation, sickness, or any other items affected by length of service.

B. Military

Section 1. Amount and Period of Wages While on Certain Military Duty

- a. Eligible employees who are members of the National Guard or on the reserve list of any branch of the Federal armed forces and who are required to attend training camps for two weeks of training, will be allowed one normal working week's leave with wages or salary in addition to their normal vacation allowance with pay. Wages or salary payable while in such military training will be computed on the same basis as vacation pay.
- b. No deduction from wages or salary will be made for absence when ordered out for parade, rifle practice or special peacetime military duty. Wages will not be paid for training assignments other than as noted in paragraph one. Such order must be addressed to the employee and be signed by his commanding officer. Special peacetime military duty shall not be interpreted to include pay for training assignments.

Section 2. Guaranteed holidays while on certain military duty

- a. Since eligible employees will be absent three weeks with pay (two of which will be normal vacation) the first week of absence at camp will be considered Military Service Leave. If a holiday falls in that week on his usual day of relief, his compensation would be for forty-eight hours or a normal work week plus one day.
- b. If a holiday falls during the second and third weeks of absence, the contract provision re Payment of Holidays Falling During Vacation applies, since these weeks are considered vacation.

Section 3. Military Leave of Absence

The wartime policy with respect to permanent employees who are granted a leave of absence to enter service in the armed forces, established by memorandum dated February 2, 1942, and Sections I-D-3 (dated 7/20/45) and IV(E) dated 4/2/45 of "Plan for the Reemployment of Returning Veterans," is hereby terminated. The following policy should be adhered to in the future for permanent employees liable for military service under existing laws and entering service in the armed forces (whether inducted or by voluntary enlistment) for three months or more.

Section 4. Status of Employees

Such employees will be granted a leave of absence for the period the employee is required to remain in the service as prescribed by law and such leave will not be construed as a break in the employee's continuous service record.

Section 5. Suspension of Compensation

The compensation of employees will be suspended during the period of leave of absence.

Section 6. Vacation Allowance

At the time of entry into the services of the armed forces, employees shall be paid only for vacation accrued, but not taken, to the date the leave of absence begins. Upon return to active employment, such employees will be allowed a vacation in the year of return equal to that which they would have been entitled to if employment had been continuous, except that if the employee returns to active status so late in December that it is not possible to take the full vacation prior to the end of the year, he shall be allowed the remainder of the month as vacation. In no event will any employee receive more than his normal vacation allowance in any year through payment for accrued vacation or vacation taken.

Section 7. Group Insurance and Medical Care Benefits

- a. Group Life Insurance, Group Accidental Death and Dismemberment Insurance, Weekly Health Benefits and medical care plan membership will be suspended during the leave of absence period except that:
 1. Group Life Insurance will remain in force for 30 days after the date on which leave of absence begins, during which period employees may exercise the right of conversion outlined in Group Insurance certificates.
 2. Family membership in a medical care plan may be maintained during the period of leave of absence by direct payment to these agencies.
- b. Upon return to active employment, the above coverages and benefits shall be reinstated without the customary waiting periods.

Section 8. Group Annuities

If an employee is a participant in the Insured Group Annuity Plan at the time of entrance into the services of the armed forces, employee contributions (paid by the employing company) and Company contributions will be suspended during the period of leave of absence and consequently, no annuities would be purchased during this period.

C. Amount And Period Of Wages While On Jury Duty

Section 1. Full normal wages or salary (less payment received for jury service) will be paid to eligible employees while absent from work for jury duty.

Section 2. Full normal wages or salary will be paid to eligible employees while absent from work when subpoenaed to testify or participate in any court case or administrative proceeding, or when subpoenaed to appear before any body having the legal authority to require the attendance of witnesses by service of legal process. The provisions of this section shall not apply to any proceeding in which:

- a. An employee is suing the Company.
- b. An employee has filed a charge or claim against the Company with an agency of the government which has resulted in the holding of a court or administrative hearing in which the Company is the respondent or defending party.
- c. Any Union is a party and causes the issuance of a subpoena to the employee to require his testimony or presence, unless the Company and the Union are both plaintiffs, defending parties or respondents in the matter.

Section 3. Wages or salary that the employee would have received if he had worked (less payment received for jury service) will be paid except that in the case of employees who have performed substantial amounts of work under more than one approved wage or salary rate prior to such duty, consideration will be given to the amount of work performed in each such class in establishing the wage or salary rate to be paid during such duty.

Section 4. Employees drawn for jury duty, whose days of relief are other than Saturday or Sunday, generally should not be required to report for work on Saturday and/or Sunday. If, however, because of sickness, vacation or other reasons it is impossible to operate, then such employee shall not refuse to report.

Section 5. If an employee on jury duty is excused for one day or more, he is expected to call his supervisor and inquire whether or not he should report for work. The supervisor's decision shall be final.

D. Funeral Leave

Section 1. In the event of death of a member of the family of an employee, the Company will grant reasonable time off without loss of normal straight time compensation for all scheduled work days falling within the three-day period next following the date of a death in the immediate family (wife, husband, children, parents, sister or brother, parents-in-law) or in the immediate household. For other members of the family (grandparents, grandchildren and aunts and uncles) one day without loss of pay will be granted if the funeral is held on a scheduled work day.

Section 2. More time in individual cases, due to unusual circumstances or for persons other than those listed above, shall be granted subject to the discretion of local management.

E. Payment Of Wages For Other Time Not Worked

Section 1. No deductions will be made from wages or salary of eligible employees for approved absences for personal reasons and for approved civic duties, as in the past.

Section 2. No employee will be paid wages for time lost or not worked due to habitual tardiness or other unauthorized personal absence.

F. Union Business

Section 1. The Company agrees to grant to permanent employees such reasonable leaves of absence, without pay, for the transaction of official union business of the Union, in such numbers and for such length of time as the Company may determine. Any such employee who returns to the employ of the Company at the expiration of his leave of absence, will be credited with the seniority that such employee would have had if he had remained in active service with the Company during the leave of absence, and shall be assigned to the classification in the roster to which such seniority entitled him, provided such employee is then qualified by fitness and ability to perform the work of such classification.

Section 2. With the implementation of the new Employee Information System, the Company will explore the feasibility of accruing payroll credit to the Goals Program for time not paid due to Union business.

Section 3. As soon as practical following the implementation of the new payroll/HR system, the Company will establish a new pay status which will apply during times the employee is on an authorized absence for union business with pay at the expense of the union- the status which is referred to today as Union-No Pay. The Company will then make payment of regular pay for such authorized day(s) as though the employee worked for the Company and then invoice the applicable local union on a regular basis for the costs of such regular pay plus payroll taxes, Thrift Plan Match, and any other items which are additional costs that are not currently paid by the company in

connection with this unpaid time.

Section 4. Payment from the union will be required within 30 days of invoicing. Repeated or recurring non-payment or late payment by any local will result in termination of this arrangement for that local.

ARTICLE XIV - SAFETY

Section 1. The Company will continue to make reasonable regulations for the safety and health of its employees during their hours of employment. Representatives of the Company and the Brotherhood shall meet from time to time at the request of either party to discuss such regulations. Before any new regulation is established, the Company shall send a copy of the contemplated regulation to the Business Manager of the Local representing the employees involved. The Company will suspend the enforcement of the contemplated regulation pending a conference with representatives of the Brotherhood to discuss the reasonableness of the new regulation if such a conference is requested by the Business Manager. The Brotherhood agrees that its members employed by the Company shall comply with the regulations made by the Company, and the Brotherhood also agrees that its members will use the protective devices, wearing apparel and other equipment to be provided in accordance with the present practice of the Company for the protection of employees from injury.

Section 2. The System agrees to participate in a joint committee established to discuss uniform safety standards. This committee is to make advisory recommendations for System acceptance.

Section 3. A joint Union/Management Safety Committee will be formed to meet bimonthly to discuss safety problems.

ARTICLE XV -DISCIPLINE AND DISCHARGE

Section 1. Upon the written request of the Brotherhood made within seven days from the date upon which an employee has been suspended or discharged, the Company shall grant a hearing to the employee involved. Upon receipt of the foregoing request, the Company will inform the Brotherhood of the reason for the suspension or discharge.

Section 2. The hearing will be conducted by the department head or a superior officer of the Company, and if exonerated, the employee will be reinstated without prejudice and compensated for loss in wages. The hearing shall be conducted in accordance with the method of adjusting grievances as provided in Article XI herein.

ARTICLE XVI - SETTLEMENT OF DISPUTES

Section 1. During the term of this agreement or any extension thereof, the Company agrees that there shall be no lockout and the Brotherhood agrees that there shall be no authorized or sanctioned cessation, retarding or stoppage of work because of any dispute which may result from an interpretation of this agreement, or from any cause whatsoever. It is further agreed that any employee represented by the Brotherhood and/or subject to the terms and conditions of this agreement who, without the authority or sanction of the Brotherhood, voluntarily absents himself or herself from work because of any dispute or demand, and may be denied further employment or suspended. Such disputes shall be settled in the manner provided below.

Section 2. It is the intent of the parties to settle disputes and grievances in a prompt and reasonable manner.

Section 3. Disputes and grievances as to the meaning and application of this agreement which

may arise between the Company and the Brotherhood shall be resolved in the following manner:

Step I: The aggrieved employee*, with or without union representation, shall first take up his grievance with his foreman, with or without additional management representation, within five days of its occurrence.

Step II: If the dispute is not resolved at step one, the aggrieved employee(s), or the local, shall file a signed written grievance within ten days requesting a further meeting with designated union and management representative(s).

Step III: If the dispute is not resolved at step two, the aggrieved employee(s), or the local union, may make a written demand for a further meeting within ten days. This meeting will include the next level of management and designated union officials.

Section 4. A grievance by union or management may be entertained in or advanced to any step in the grievance procedure if the parties jointly so agree.

Section 5. In the event that any dispute cannot satisfactorily be settled in the manner provided in this Article, it shall, upon the written request of either party, be settled by arbitration. The request must be made within thirty calendar days from the conclusion of the final meeting in Step III.

*Grievances involving more than one employee will be heard in Step II of the grievance procedure.

Section 6. In the event that any dispute arises during the term hereof between the Company and the Brotherhood or its members which shall not have been satisfactorily settled in the manner provided in Article XI herein, such dispute shall, upon the written request of either party to the other, be settled by arbitration. The party making such request shall select one arbiter and designate its selection when requesting arbitration. The party receiving the request shall select one arbiter and notify the other party in writing, within five days of the receipt of the request for arbitration, of the name of the arbiter designated. The parties shall then submit to the arbiters a written statement setting forth the matter or matters in dispute. The two arbiters shall confer promptly and endeavor to reach an agreement for an appropriate settlement of each dispute. The decision of the arbiters shall be issued in writing, signed by both of them and such decision shall be final and binding upon the Company, the Brotherhood and its members. In the event that within twenty-one days after the designation of the second arbiter, the two arbiters are unable to agree on all matters in dispute, they shall render a decision as to the matters upon which they have agreed, and shall request another Arbiter, to confer with them as impartial arbiter for the purpose of settling any remaining matter in dispute, and in the latter event, the decision signed by any two of the arbiters shall be final and binding upon the Company, the Brotherhood and its members. In the event that the parties are unable to agree upon the selection of an impartial arbiter within ten days after the expiration of the aforesaid twenty-one day period, such impartial arbiter shall be designated, on the application of either or both of the two arbiters selected by the parties, or upon the application of either party to the American Arbitration Association. Except as specifically provided herein, this agreement shall not be changed or added to by arbitration and all awards shall be consistent with the terms thereof.

Section 7. Grievances will be answered within fifteen days if possible; if not, the local will be notified and given the reason for the delay. All answers will be confirmed in writing.

ARTICLE XVII - SUPERVISORS

Supervisors who are not covered by the labor agreement will do only such incidental work as is necessary to instruct others or to improve operations. They shall not, except in emergencies, perform work that employees subject to the labor agreement are normally required to perform.

ARTICLE XVIII - STIPULATIONS

Section 1. Except where specifically provided otherwise herein, all notices and requests shall be deemed to have been fully and completely served or made by the Company when sent by registered mail addressed to the Business Manager of the Local Union, and by the Brotherhood when sent by registered mail to the Company.

Section 2. The Union agrees that for the term of this agreement, all requirements of the Electricity Restructuring Act of 1997, including Section 1E related to staffing levels have been satisfied and that this agreement is a collective bargaining agreement under that language.

Section 3. Further, the Union will refrain from any opposing or interfering intervention in any rate case or regulatory filing involving any of the NEES companies.

Section 4. Further, the Union agrees to refrain from engaging in any activity which would impede the completion of the Company's mergers with the National Grid and EUA. The Company recognizes that the National Unions reserve their rights as they pertain to non-NEES locals.

Section 5. All line crews installing or removing single-phase services may be required to install, replace or remove common meters are required but limited to no more than three (3) meters per location. All line personnel will be trained in the proper installation and removal of common meters.

Section 6. The Company and Union agree to setting up a standard two-man crew concept in accordance with agreement.

Section 7. The Company's OH Transmission Line Work Proposal (Company Proposal #4, Revision 2) shall be implemented in accordance with Attachment XI of the Memorandum of Understanding of Items Agreed to During Negotiation of New Labor Agreement - May 16, 1995.

ARTICLE XIX - TERM OF AGREEMENT

Section 1. The term of this agreement shall commence as of the 12th day of May 1999, and shall continue through May 11, 2003, at the expiration whereof the term shall automatically continue for a period of one year and so on for like one-year periods unless terminated on the eleventh day of May 2003, or on the eleventh day of May of any year thereafter by a written notice from either party to the other at least sixty days prior to such date of termination.

Section 2. To the extent not otherwise provided for in this agreement, the contents of the Memorandum of Understanding dated May 17, 1999, are hereby incorporated by reference.

Section 3. Proposed amendments to this agreement may be submitted by either party to the other in writing on or before the eleventh day of May 2003, or the eleventh day of May of any year thereafter during the term hereof. The parties shall confer on or about the eleventh day of May 2003, or on or about the eleventh day of May of any year thereafter and endeavor to agree on proposed amendments submitted as aforesaid. Amendments mutually agreed upon shall become effective on the twelfth day of May following the submission of such amendments unless the parties hereto agree upon a different effective date, provided neither party terminates this agreement in the manner herein set forth. In the event that the parties fail to agree upon a disposition of all amendments proposed as aforesaid before the twelfth day of May 2003, (or the twelfth day of May of any year thereafter) those not agreed upon shall be disposed of in the manner providing for the settlement of disputes under Article XI herein, provided however, that this shall not be construed to prevent the absolute termination of this agreement on the eleventh day of May 2003, or on the eleventh day of May of any year thereafter, as provided in this Article.

ARTICLE XX - CONTRACT SUCCESSION

Section 1. In the event the Company decides to change the named employer of employees at any location, in any department, from the name of one subsidiary or affiliate to another, this agreement shall be binding on such successor employer even if it is not so named in the preamble to this agreement.

Section 2. In case of consolidation or merger of the Company with an affiliated company or sales of all or a substantial part of their properties between affiliated companies, the provisions of this agreement will continue to apply to the extent legally permissible, for the term of the agreement to the classifications and employees covered by the terms of this agreement.

Section 3. In the event of a merger or sale of all or substantially all of its property or business to a non-affiliate of the Company, to the extent supportable by law, the Company shall require such non-affiliated company to assume this entire agreement for its remaining term.

SCHEDULE OF WAGES
ALL COMPANIES

GUARANTEED LUMP SUM PAYMENT

At the BEGINNING of each contract year, or as soon as practical thereafter, the Company will pay each bargaining unit employee who is on the payroll a Guaranteed Lump Sum Payment based on the Total Annual Compensation during the preceding contract year. The individual bargaining unit employee's payment will be calculated by multiplying the percentage shown in the Guaranteed Lump Sum Payment Table times the Total Annual Compensation earned during the 52 week period ending with the last full payroll week inclusive of the effective date of the current contract year. Guaranteed Lump Sum Payments will be included in pensionable earnings.

Guaranteed Lump Sum Payment Table

	YEAR 1	YEAR 2	YEAR 3	YEAR 4
Lump Sum Percentage	1.0%	1.5%	2.0%	3.0%

INDIVIDUAL PERFORMANCE BONUS

Effective May 12, 1999, the Performance Based Bonus program is discontinued. In lieu of that, Individual Performance Increments will be added to NEES Goals effective with NEES goals payout for 1999 in March 2000 as shown below:

At NEES Goals Operating Income Targets

Low	Mid	High
0.00%	2.00%	4.50%

Portion based on performance appraisal rating

Goal Achieved	Full Credit
Goal Not Achieved	No Credit

**SCHEDULE OF WAGES
 GRANITE STATE ELECTRIC COMPANY
 LOCAL 326 (SALEM)
 LOCAL 486 (LEBANON)**

**ULTIMATE WAGE RATE
EFFECTIVE**

	<u>5/12/99</u>	<u>5/12/00</u>	<u>5/12/01</u>	<u>5/12/02</u>
<u>OVERHEAD LINES</u>				
Trouble Shooter	25.66	26.43	27.23	28.05
Crew Leader	24.71	25.46	26.23	27.02
Line Worker 1/C	23.25	23.95	24.67	25.42
Line Worker 2/C	18.58	19.14	19.72	20.32
Line Worker 3/C	17.64	18.17	18.72	19.29
Line Worker Apprentice	17.64	18.17	18.72	19.29
<u>METERING SERVICES</u>				
<u>Roster A</u>				
Working Leader	22.53	23.21	23.91	24.63
Metering Services Specialist	20.86	21.49	22.14	22.81
Meter Worker Apprentice A	19.31	19.89	20.49	21.11
Meter Worker Apprentice B	17.54	18.07	18.62	19.18
<u>Roster B</u>				
Working Leader	19.06	19.63	20.22	20.83
Meter Worker Associate	18.64	19.20	19.78	20.38
Meter Reader	16.34	16.84	17.35	17.88
Utility Worker	16.34	16.84	17.35	17.88
<u>Rate for Employees Hired After 3/6/80</u>				
Working Leader	17.56	18.09	18.63	19.19
Meter Worker Associate	17.22	17.74	18.28	18.83
Meter Reader	15.05	15.51	15.98	16.46
Utility Worker	15.05	15.51	15.98	16.46
<u>MISCELLANEOUS</u>				
Janitor	14.39	14.83	15.28	15.74

**SCHEDULE OF WAGES
 MASSACHUSETTS ELECTRIC COMPANY
NORTH ANDOVER - LOCAL 326**

**ULTIMATE WAGE RATE
EFFECTIVE**

	<u>5/12/99</u>	<u>5/12/00</u>	<u>5/12/01</u>	<u>5/12/02</u>
<u>OVERHEAD LINES</u>				
Trouble Shooter	25.66	26.43	27.23	28.05
Crew Leader	24.71	25.46	26.23	27.02
Line Worker 1/C	23.25	23.95	24.67	25.42
Line Worker 2/C	18.58	19.14	19.72	20.32
Line Worker 3/C	17.64	18.17	18.72	19.29
Line Worker Apprentice	17.64	18.17	18.72	19.29
<u>UNDERGROUND</u>				
Working Leader	25.29	26.05	26.84	27.65
Lead Splicer	23.94	24.66	25.40	26.17
Splicer	22.73	23.42	24.13	24.86
Splicer Apprentice A	19.83	20.43	21.05	21.69
Splicer Apprentice B	17.90	18.44	19.00	19.58
Splicer Apprentice C	16.89	17.40	17.93	18.47
<u>OPERATIONS ENGINEERING</u>				
<u>Technical Support</u>				
Sr. Operations Technical Rep.	21.46	22.11	22.78	23.47
Operations Technical Rep. I	19.62	20.21	20.82	21.45
Operations Technical Rep. II	18.16	18.71	19.28	19.86
Operations Technical Rep. III	17.06	17.58	18.11	18.66
<u>Operations Support</u>				
Sr. Operations Support Rep.	18.72	19.29	19.87	20.47
Operations Technical Rep.	16.67	17.18	17.70	18.24
<u>Locator</u>				
Utility Locator	18.72	19.29	19.87	20.47
<u>Clerical</u>				
Operations Clerk	570.52	587.67	605.33	623.52

**SCHEDULE OF WAGES
 MASSACHUSETTS ELECTRIC COMPANY
NORTH ANDOVER - LOCAL 326**

**ULTIMATE WAGE RATE
EFFECTIVE**

<u>BUILDING & OFFICE SERVICE</u>	<u>5/12/99</u>	<u>5/12/00</u>	<u>5/12/01</u>	<u>5/12/02</u>
Building Maintenance Worker	20.91	21.54	22.19	22.86
Janitor	14.39	14.83	15.28	15.74
Operations Clerk	570.52	587.67	605.33	623.52

METERING SERVICES

Roster A

Working Leader	22.53	23.21	23.91	24.63
Service Inspector	20.61	21.23	21.87	22.53
Metering Services Specialist	20.86	21.49	22.14	22.81
Meter Worker Apprentice A	19.31	19.89	20.49	21.11
Meter Worker Apprentice B	17.54	18.07	18.62	19.18

Roster B

Working Leader	19.06	19.63	20.22	20.83
Meter Worker Associate	18.64	19.20	19.78	20.38
Meter Reader	16.34	16.84	17.35	17.88

Rate for Employees Hired After 3/6/80

Working Leader	17.57	18.09	18.64	19.20
Meter Worker Associate	17.22	17.74	18.28	18.83
Meter Reader	15.05	15.51	15.98	16.46

Clerical

Metering Services Representative	570.52	587.67	605.33	623.52
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**SCHEDULE OF WAGES
 MASSACHUSETTS ELECTRIC COMPANY
NORTH ANDOVER - LOCAL 326**

**ULTIMATE WAGE RATE
EFFECTIVE**

	<u>5/12/99</u>	<u>5/12/00</u>	<u>5/12/01</u>	<u>5/12/02</u>
<u>ELECTRICAL OPERATION & MAINTENANCE</u>				
Working Leader	23.52	24.23	24.96	25.71
Electrical Substation O&M Worker Sr.	22.41	23.09	23.79	24.51
Electrical Substation O&M Worker 1/C	21.18	21.82	22.48	23.16
Electrical Substation O&M Worker 2/C	18.72	19.29	19.87	20.47
Electrical Substation O&M Worker 3/C	17.18	17.70	18.24	18.79
Electrical Substation O&M Helper	16.27	16.76	17.27	17.79
Operations Clerk	570.52	587.67	605.33	623.52
<u>STORES</u>				
Working Leader	20.38	20.99	21.62	22.27
Material Handler	18.80	19.37	19.96	20.56
<u>GARAGE</u>				
Working Leader	23.11	23.81	24.53	25.27
Automotive Equipment Specialist	21.93	22.59	23.27	23.97
Automotive Mechanic A	18.97	19.54	20.13	20.74
Automotive Mechanic B	17.34	17.87	18.41	18.97
Automotive Service Person	16.20	16.69	17.20	17.72

**SCHEDULE OF WAGES
 MASSACHUSETTS ELECTRIC COMPANY
 GREAT BARRINGTON - LOCAL 486**

**ULTIMATE WAGE RATE
EFFECTIVE**

5/12/99 5/12/00 5/12/01 5/12/02

OVERHEAD LINES

Trouble Shooter	25.66	26.43	27.23	28.05
Crew Leader	24.71	25.46	26.23	27.02
Line Worker 1/C	23.25	23.95	24.67	25.42
Line Worker 2/C	18.58	19.14	19.72	20.32
Line Worker 3/C	17.64	18.17	18.72	19.29
Line Worker Apprentice	17.64	18.17	18.72	19.29
Laborer	14.39	14.83	15.28	15.74

METERING SERVICES

Roster A

Working Leader	22.53	23.21	23.91	24.63
Metering Services Specialist	20.86	21.49	22.14	22.81
Meter Worker Apprentice A	19.31	19.89	20.49	21.11
Meter Worker Apprentice B	17.54	18.07	18.62	19.18

Roster B

Meter Worker Associate	18.64	19.20	19.78	20.38
Meter Reader	16.34	16.84	17.35	17.88

Rate for Employees Hired After 3/6/80

Meter Worker Associate	17.22	17.74	18.28	18.83
Meter Reader	15.05	15.51	15.98	16.46

STORES

Material Handler	18.80	19.37	19.96	20.56
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MISCELLANEOUS

Utility Person	16.05	16.54	17.04	17.56
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**SCHEDULE OF WAGES
MASSACHUSETTS ELECTRIC COMPANY
GREAT BARRINGTON - LOCAL 486**

**ULTIMATE WAGE RATE
EFFECTIVE**

	<u>5/12/99</u>	<u>5/12/00</u>	<u>5/12/01</u>	<u>5/12/02</u>
<u>OPERATIONS ENGINEERING</u>				
<u>Technical Support</u>				
Sr. Operations Technical Rep.	21.46	22.11	22.78	23.47
Operations Technical Rep. I	19.62	20.21	20.82	21.45
Operations Technical Rep. II	18.16	18.71	19.28	19.86
Operations Technical Rep. III	17.06	17.58	18.11	18.66
<u>Operations Support</u>				
Sr. Operations Support Rep.	18.72	19.29	19.87	20.47
Operations Technical Rep.	16.67	17.18	17.70	18.24

**SCHEDULE OF WAGES
 MASSACHUSETTS ELECTRIC COMPANY
 NORTH ADAMS - LOCAL 486**

**ULTIMATE WAGE RATE
 EFFECTIVE**

	<u>5/12/99</u>	<u>5/12/00</u>	<u>5/12/01</u>	<u>5/12/02</u>
<u>OVERHEAD LINES</u>				
Trouble Shooter	25.66	26.43	27.23	28.05
Crew Leader	24.71	25.46	26.23	27.02
Line Worker 1/C	23.25	23.95	24.67	25.42
Line Worker 2/C	18.58	19.14	19.72	20.32
Line Worker 3/C	17.64	18.17	18.72	19.29
Line Worker Apprentice	17.64	18.17	18.72	19.29
Utility Worker	14.64	15.08	15.54	16.01
Laborer	14.39	14.83	15.28	15.74
<u>OPERATIONS ENGINEERING</u>				
<u>Technical Support</u>				
Sr. Operations Technical Rep.	21.46	22.11	22.78	23.47
Operations Technical Rep. I	19.62	20.21	20.82	21.45
Operations Technical Rep. II	18.16	18.71	19.28	19.86
Operations Technical Rep. III	17.06	17.58	18.11	18.66
<u>Operations Support</u>				
Sr. Operations Support Rep.	18.72	19.29	19.87	20.47
Operations Technical Rep.	16.67	17.18	17.70	18.24
<u>ELECTRICAL OPERATION & MAINTENANCE</u>				
Working Leader	23.52	24.23	24.96	25.71
Electrical Substation O&M Worker Sr.	22.41	23.09	23.79	24.51
Electrical Substation O&M Worker 1/C	21.18	21.82	22.48	23.16
Electrical Substation O&M Worker 2/C	18.72	19.29	19.87	20.47
Electrical Substation O&M Worker 3/C	17.18	17.70	18.24	18.79
Electrical Substation O&M Helper	16.27	16.76	17.27	17.79
<u>GARAGE</u>				
Working Leader	23.11	23.81	24.53	25.27
Automotive Equipment Specialist	21.93	22.59	23.27	23.97
Automotive Mechanic A	18.97	19.54	20.13	20.74
Automotive Mechanic B	17.34	17.87	18.41	18.97
Automotive Service Person	16.20	16.69	17.20	17.72

**SCHEDULE OF WAGES
 MASSACHUSETTS ELECTRIC COMPANY
NORTH ADAMS - LOCAL 486**

**ULTIMATE WAGE RATE
EFFECTIVE**

	<u>5/12/99</u>	<u>5/12/00</u>	<u>5/12/01</u>	<u>5/12/02</u>
<u>METERING SERVICES</u>				
<u>Roster A</u>				
Working Leader	22.53	23.21	23.91	24.63
Metering Services Specialist	20.86	21.49	22.14	22.81
Meter Worker Apprentice A	19.31	19.89	20.49	21.11
Meter Worker Apprentice B	17.54	18.07	18.62	19.18
<u>Roster B</u>				
Meter Worker Associate	18.64	19.20	19.78	20.38
Meter Reader	16.34	16.84	17.35	17.88
<u>Rate for Employees Hired After 3/6/80</u>				
Meter Worker Associate	17.22	17.74	18.28	18.83
Meter Reader	15.05	15.51	15.98	16.46
<u>STORES</u>				
Material Handler	18.80	19.37	19.96	20.56

**SCHEDULE OF WAGES
 MASSACHUSETTS ELECTRIC COMPANY
NORTHAMPTON - LOCAL 486**

**ULTIMATE WAGE RATE
EFFECTIVE**

5/12/99 5/12/00 5/12/01 5/12/02

OVERHEAD LINES

Trouble Shooter	25.66	26.43	27.23	28.05
Crew Leader	24.71	25.46	26.23	27.02
Line Worker 1/C	23.25	23.95	24.67	25.42
Line Worker 2/C	18.58	19.14	19.72	20.32
Line Worker 3/C	17.64	18.17	18.72	19.29
Line Worker Apprentice	17.64	18.17	18.72	19.29
Utility Worker	14.64	15.08	15.54	16.01
Laborer	14.39	14.83	15.28	15.74

OPERATIONS ENGINEERING

Technical Support

Sr. Operations Technical Rep.	21.46	22.11	22.78	23.47
Operations Technical Rep. I	19.62	20.21	20.82	21.45
Operations Technical Rep. II	18.16	18.71	19.28	19.86
Operations Technical Rep. III	17.06	17.58	18.11	18.66

Operations Support

Sr. Operations Support Rep.	18.72	19.29	19.87	20.47
Operations Technical Rep.	16.67	17.18	17.70	18.24

Clerical

Operations Clerk	570.52	587.67	605.33	623.52
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GARAGE

Working Leader	23.11	23.81	24.53	25.27
Automotive Equipment Specialist	21.93	22.59	23.27	23.97
Automotive Mechanic A	18.97	19.54	20.13	20.74
Automotive Mechanic B	17.34	17.87	18.41	18.97
Automotive Service Person	16.20	16.69	17.20	17.72

STORES

Material Handler	18.80	19.37	19.96	20.56
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**SCHEDULE OF WAGES
 MASSACHUSETTS ELECTRIC COMPANY
NORTHAMPTON - LOCAL 486**

**ULTIMATE WAGE RATE
EFFECTIVE**

	<u>5/12/99</u>	<u>5/12/00</u>	<u>5/12/01</u>	<u>5/12/02</u>
<u>METERING SERVICES</u>				
<u>Roster A</u>				
Working Leader	22.53	23.21	23.91	24.63
Metering Services Specialist	20.86	21.49	22.14	22.81
Meter Worker Apprentice A	19.31	19.89	20.49	21.11
Meter Worker Apprentice B	17.54	18.07	18.62	19.18
<u>Roster B</u>				
Meter Worker Associate	18.64	19.20	19.78	20.38
Meter Reader	16.34	16.84	17.35	17.88
<u>Rate for Employees Hired After 3/6/80</u>				
Meter Worker Associate	17.22	17.74	18.28	18.83
Meter Reader	15.05	15.51	15.98	16.46
<u>Clerical</u>				
Metering Services Representative	570.52	587.67	605.33	623.52

**SCHEDULE OF WAGES
NEW ENGLAND POWER COMPANY
NORTHEASTERN DIVISION - LOCAL 326**

**ULTIMATE WAGE RATE
EFFECTIVE**

5/12/99 5/12/00 5/12/01 5/12/02

SUBSTATIONS

Class VII Substation-Tewksbury

Operator	20.25	20.86	21.49	22.14
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**SCHEDULE OF WAGES
NEW ENGLAND POWER COMPANY
LEBANON - LOCAL 486**

**ULTIMATE WAGE RATE
EFFECTIVE**

	<u>5/12/99</u>	<u>5/12/00</u>	<u>5/12/01</u>	<u>5/12/02</u>
<u>SUBSTATION O& M</u>				
Working Leader	23.52	24.23	24.96	25.71
Electrical Substation O&M Worker Sr.	22.41	23.09	23.79	24.51
Electrical Substation O&M Worker 1/C	21.18	21.82	22.48	23.16
Electrical Substation O&M Worker 2/C	18.72	19.29	19.87	20.47

**SCHEDULE OF WAGES
NEW ENGLAND POWER SERVICE COMPANY
LOCALS 326 & 486**

**ULTIMATE WAGE RATE
EFFECTIVE**

	<u>5/12/99</u>	<u>5/12/00</u>	<u>5/12/01</u>	<u>5/12/02</u>
<u>TELECOMMUNICATIONS</u>				
Lead Technician	26.31	27.10	27.92	28.76
Senior Technician	25.08	25.84	26.62	27.42
Technician 1/C	23.34	24.05	24.78	25.53
Technician 2/C	21.44	22.09	22.76	23.45
Technician 3/C	18.72	19.29	19.87	20.47
Tester	17.02	17.54	18.07	18.62

IN TESTIMONY WHEREOF, the parties hereto have executed this agreement this sixteenth day of March, 2000.

FOR THE EMPLOYEES OF
MASSACHUSETTS ELECTRIC CO., NEW
ENGLAND POWER CO., NEW ENGLAND
POWER SERVICE CO., and GRANITE
STATE ELECTRIC CO., LOCAL UNIONS
NOS. 326 and 486, INTERNATIONAL
BROTHERHOOD OF ELECTRICAL
WORKERS

MASSACHUSETTS ELECTRIC COMPANY

By Lawrence J. Reilly
President

By Terrence M. Gordon
Business Manager, Local 326

NEW ENGLAND POWER COMPANY

By Peter G. Flynn
President

By Richard L. Raymond
Business Manager, Local 486

NEW ENGLAND POWER SERVICE CO.

By William F. Dowd
Vice President

GRANITE STATE ELECTRIC COMPANY

By Lawrence J. Reilly
President