

K#9292

**SUMMARY OF AGREEMENT  
BETWEEN  
PPL CORPORATION  
AND  
LOCAL UNION NO. 1600  
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS**

2010

The following changes applicable to employees represented by Local No. 1600 of the International Brotherhood of Electrical Workers have been negotiated and are subject to:

1. Ratification by the membership of Local Union No. 1600 under the terms of its constitution and by-laws.
2. Execution of a new Contract that has been agreed to by both parties.

**PROPOSED TERMS**

These proposed terms have been negotiated by and between Local Union No. 1600 of the International Brotherhood of Electrical Workers, A.F.L.-C.I.O., hereinafter referred to as the "Union" and PPL Corporation, and its successors and assigns, hereinafter all jointly referred to as the "Company".

**TERM OF AGREEMENT**

This agreement will remain in effect until Midnight, May 11, 2014.

**RATIFICATION BONUS**

**In return for ratification of this Summary of Agreement by June 22, 2010**, all full-time members of the bargaining unit and Utility Workers, who are active as of the date of ratification, will receive a one-time, lump-sum ratification bonus of \$750, less applicable withholdings. Also, part-time bargaining unit employees and specific temporary employees, who are active at the time of ratification, will be eligible for a \$375 ratification bonus, less applicable withholdings. A separate check will be issued for this purpose within 15 days following the ratification vote.

**WAGES**

**In return for ratification of this Summary of Agreement by June 22, 2010, this Summary of Agreement will provide the following general wage increases:**

A general wage increase for all employees, except incumbents and new hires (hired after 5/16/10) in the Steno/Clerk-General position, of 2.5% effective May 17, 2010; 2.7% effective May 16, 2011; 2.9% effective May 14, 2012, and 3.0% effective May 13, 2013.

A general wage increase of 1%, effective May 17, 2010, May 16, 2011, May 14, 2012, and May 13, 2013, for incumbents in the Steno/Clerk-General position as of 5/16/10. In addition, a lump sum payment will be made to incumbent Steno/Clerk-Generals at the same time as the general wage increases as follows:

"C" Salary Scale		"K" Salary Scale	
2010	\$1000	2010	\$900
2011	\$1000	2011	\$900
2012	\$1000	2012	\$900
2013	\$1000	2013	\$900

A new wage scale will apply for vacancies created in the Steno/Clerk-General position after 5/16/10. Current incumbents in the Steno/Clerk-General position would not be impacted. Anyone filling a Steno/Clerk-General vacancy after 5/16/10, will not be eligible for a General Wage Increase in 2010, 2011, 2012, and 2013. The new wage scale is as follows:

<b>Step 1</b>	<b>Step 2</b>	<b>Step 3</b>	<b>Step 4</b>	<b>Step 5</b>
\$17.599	\$17.863	\$18.131	\$18.403	\$18.679
<b>Step 6</b>	<b>Step 7</b>	<b>Step 8</b>	<b>Step 9</b>	<b>Step 10</b>
\$18.959	\$19.243	\$19.532	\$19.825	\$20.122

### **EMPLOYEE SAVINGS PLAN**

Effective 1/1/2012, the amount that an employee can contribute through automatic payroll deductions will be revised as follows:

- From 2% to 50% of their pay (in whole percentages) on a before-tax basis; and/or,
- From 2% to 50% of their pay on an after-tax basis.
- The sum of pre- and after-tax contributions may not exceed 50% of their base pay for the pay period.

### **EMPLOYEE HEALTH PLAN**

The Employee Health Plan options in effect on January 1, 2010, will continue for the remainder of the calendar year.

Effective January 1, 2011, and continuing for the remaining term of this Agreement the Employee Health Plan for employees will consist of three (3) Preferred Provider Organization (PPO) health insurance options and one (1) prescription drug option. The options will provide three levels of benefit coverage. Each option will have its own plan deductibles, co-payments and co-insurance amounts as outlined in Attachments 1 - 4. An employee may select any one of the plan options during the annual benefit enrollment period. If the employee fails to enroll in a medical option during annual enrollment period, they will automatically be enrolled in the PPO 90 Option.

Plan deductibles, co-payments and co-insurance amounts effective in 2011, 2012, 2013 and 2014 are shown in the attachments: Attachment 1 - 2011 Medical Option Comparison Chart – Bargaining Unit Program; Attachment 2 - 2012 Medical Option Comparison Chart – Bargaining Unit Program; Attachment 3 – 2013 Medical Option Comparison Chart – Bargaining Unit Program; and Attachment 4 – 2014 Medical Option Comparison Chart – Bargaining Unit Program.

The Company shall administer the PPL sponsored options (medical and drug) and select all administrators, carriers and providers of medical coverage. The method of providing the benefits under these plans shall be determined by the Company.

The Company and the Union will mutually agree to a plan design for a high deductible health plan with Health Savings Account (HSA) prior to implementation.

For employees who waive health care and prescription drug coverage, the annual cash payment is \$800. This will be paid as taxable income via payroll on a bi-weekly basis effective January 2011.

**Employee Contributions**

Bi-weekly contributions:

<b>2011</b>	PPO 100	PPO 90	PPO 80
EE	\$33.00	\$20.00	\$0.00
EE+1	\$59.00	\$36.00	\$0.00
EE+Family	\$65.00	\$40.00	\$0.00

<b>2012</b>	PPO 100	PPO 90	PPO 80
EE	\$40.00	\$28.00	\$12.00
EE+1	\$72.00	\$50.00	\$22.00
EE+Family	\$85.00	\$59.00	\$25.00

<b>2013</b>	PPO 100	PPO 90	PPO 80
EE	\$46.00	\$36.00	\$19.00
EE+1	\$86.00	\$68.00	\$36.00
EE+Family	\$109.00	\$70.00	\$45.00

<b>2014</b>	PPO 100	PPO 90	PPO 80
EE	\$53.00	\$37.00	\$27.00
EE+1	\$106.00	\$74.00	\$54.00
EE+Family	\$132.00	\$81.00	\$68.00

Employee contributions toward the cost of coverage will be on a before-tax basis through payroll deduction to the extent permitted by law or regulation.

### **Prescription Drug Benefits**

Co-payments for prescription drug benefits for all three health coverage options will be adjusted to the following levels effective January 1, 2011 and subsequently changed on January 1, 2012, 2013 and 2014, per the below table.

<b>2011</b>	<b>Generic</b>	<b>Preferred Brand</b>	<b>Non-Preferred Brand</b>
Retail	\$10.00	\$22.00	\$42.00
Mail Order	\$20.00	\$44.00	\$84.00

<b>2012</b>	<b>Generic</b>	<b>Preferred Brand</b>	<b>Non-Preferred Brand</b>
Retail	\$10.00	\$24.00	\$44.00
Mail Order	\$20.00	\$48.00	\$88.00

<b>2013</b>	<b>Generic</b>	<b>Preferred Brand</b>	<b>Non-Preferred Brand</b>
Retail	\$10.00	\$26.00	\$46.00
Mail Order	\$20.00	\$52.00	\$92.00

<b>2014</b>	<b>Generic</b>	<b>Preferred Brand</b>	<b>Non-Preferred Brand</b>
Retail	\$10.00	\$28.00	\$48.00
Mail Order	\$20.00	\$56.00	\$96.00

### **SPOUSAL SURCHARGE**

The monthly surcharge will be adjusted to \$160 on January 1, 2011, and will increase by \$5 each year of the contract starting on January 1, 2012.

### **VISION CARE PLAN**

Effective January 1, 2011, monthly contributions through pre-tax payroll deductions for employees who elect to have a vision care plan will pay the lower of actual cost or the following amounts:

	<b>Monthly Contributions</b>			
	<b>1/1/2011</b>	<b>1/1/2012</b>	<b>1/1/2013</b>	<b>1/1/2014</b>
Single Coverage	\$7.00	\$8.00	\$9.00	\$10.00
Dual Coverage	\$14.00	\$15.00	\$16.00	\$17.00
Family Coverage	\$21.00	\$23.00	\$25.00	\$27.00

Effective January 1, 2011, monthly contributions through pre-tax payroll deductions for Dental Plus will be the lower of actual cost or the following:

	Monthly Contributions			
	1/1/2011	1/1/2012	1/1/2013	1/1/2014
Single Coverage	\$14.00	\$15.00	\$16.00	\$17.00
Dual Coverage	\$25.00	\$27.00	\$29.00	\$31.00
Family Coverage	\$35.00	\$38.00	\$41.00	\$44.00

The current basic dental plan will remain the same at no cost for the term of the agreement.

The annual cash payments for employees who waive dental coverage will be as follows:

2011 = \$125  
2012 = \$100  
2013 = \$50  
2014 = \$0

This will be paid as taxable income via payroll on a bi-weekly basis.

### **GROUP LIFE INSURANCE**

Beginning with the plan year 1/1/2012, employees will have two coverage options:

- Two (2) times annual wages; or
- \$50,000

The ability to choose less insurance coverage for a cash payment will be eliminated; however, employees will still be eligible to purchase additional life insurance in excess of two (2) times annual wages as listed in Exhibit O, Section III.

### **FLEXIBLE BENEFITS PROGRAM**

Exhibit O, Section X of the Labor Agreement will be renamed as Flexible Spending Accounts. Paragraphs a, b, and c, will be eliminated as these items will be covered within Sections III, VII, and IX. Paragraph X (d) will be renumbered as Paragraph a.

## **DOMESTIC PARTNERS**

Effective with the plan year 1/1/2011, benefits will be available to same-sex domestic partners of active, unmarried PPL bargaining unit employees as follows:

- Medical
- Dental
- Vision
- Spouse life insurance
- Child life insurance

Children of same-sex domestic partners may also be eligible (must live in the same household as the employee). Affidavit of same-sex domestic partnership for employee benefits is required.

## **POST-RETIREMENT HEALTH CARE COVERAGE**

The term "retiree" hereinafter applies to active employees who retire during the term of this collective bargaining agreement.

For all active employees who retire prior to January 1, 2011, existing health care plans and contributions will remain in effect for the balance of 2010.

For all active employees who retire during the term of this agreement and on or after January 1, 2011:

### **Retirees Younger Than Age 65:**

Retirees will continue to have the same medical coverage options available to active employees.

Effective January 1, 2011, the Company will increase its maximum annual contribution toward the payment of the cost of medical coverage for retirees and their spouses from \$5,650 per individual (\$11,300 per couple or family) to:

- \$7,200 per individual (\$14,400 per couple or family)

The retirees' annual contribution will be determined on a calendar year basis and will be effective on each January 1, during the term of the agreement.

The Company shall determine the rates for each PPL sponsored option (medical and drug) based on the most recent three (3) years of claim experience projected to the next calendar year using expected medical trend. Employee contributions will be set as rates less the above mentioned cap.

The cost of providing medical coverage for Bargaining Unit retirees will continue to be determined separately from the cost of providing medical coverage to management retirees.

The contributions will continue to be administered on a monthly basis.

Retirees have the option to opt in/opt out of the PPL sponsored options (medical and drug) at the time of the annual enrollment or as a result of family status change.

#### **Retirees Eligible for Medicare (Age 65 and older):**

Effective January 1, 2011, the following changes will be made to the medical coverage of retirees age 65 and older:

- Maintain PRA at \$1,950 per year, per retiree (\$3,900 per couple or family)
- Provide "Medicare Coordinator" support service offering individual post-65 plans with enrollment support.
  - Participants will elect individual insurance plans.
  - Cease offering PPL sponsorship of post-65 plan.

For active employees who retire during the term of the agreement and who attain age 65 during the term of this agreement, the Company agrees to contribute a one-time lump sum of \$600 into the PRA account.

#### **SAFETY SHOES**

Effective with the first pay period following ratification, if safety shoes are required for their job, new employees, after six (6) months of employment, will be eligible for reimbursement for up to \$120 for the purchase of safety shoes during their initial year of employment. Reimbursement will be provided for actual expenses only. Any unused portion of the \$120 allotment in the initial year of employment can be carried over to the next calendar year. Employees who receive this \$120 allotment will not be eligible for the \$60 annual safety shoe allowance during the next calendar year.

#### **SAFETY GLASSES**

Effective with the first pay period following ratification, if safety glasses are required for their job, new employees, after six (6) months of employment, will be eligible for reimbursement for up to \$75 for the purchase of safety glasses during their initial year of employment. Reimbursement will be provided for actual expenses only. Any unused portion of the \$75 allotment in the initial year of employment can be carried over to the next calendar year. Employees who receive this \$50 reimbursement will not be eligible for the \$50 annual safety glasses allowance during the next calendar year.

## **SHIFT DIFFERENTIAL**

Shift differential for eligible hours will be increased from \$1.65 to \$1.70 per hour, effective the first pay period following ratification. An additional increase of \$.05 per hour will occur in each subsequent year of the contract as follows:

May 16, 2011	\$1.75 per hour
May 14, 2012	\$1.80 per hour
May 13, 2013	\$1.85 per hour

## **SICK PAY PLAN**

The parties agree to revise the language in Article VIII, Section 1, Paragraph D (applicable to all employees) effective 1/1/11 as follows:

D. Employees are required to furnish medical certification of illness upon return to work for all absences in excess of three (3) in a pay period year or anytime an employee is out three (3) or more consecutive days. All medical certification is to be an original (e.g., no copies or fax) and must be submitted to the employee's supervisor at the employee's start time when the employee is cleared to return to work.

Employees returning to work without proper certification will have the period of absence charged to "Time Off Without Pay - No Permission" as follows:

- (1) From the fourth occurrence of illness and each subsequent illness within the pay period year; or,
- (2) After an employee is out three (3) or more consecutive days

Employees scheduled to work either Saturday or Sunday, who are ill on one or both of these days, and properly report off, shall have up to a maximum of forty-eight (48) hours to obtain medical certification for the conditions specified in 1 and 2 above.

### **Revised Sick Pay Plan for all New Hires after 5/16/10:**

Employees hired after 5/16/10 will receive 40 hours of sick pay on the anniversary date of their employment. Unused sick time can be accumulated to a maximum of 80 hours.

New employees who complete their six-month probationary period will be eligible to borrow sixteen (16) hours of sick pay from the forty (40) hours they will be entitled to after one year of employment.

Short-term Disability (STD) will be provided at 60% of base pay after 5 work days of continuous absence or after full sick pay is exhausted if the absence exceeds 5 work days. Maximum duration of the STD program is 180 calendar days of continuous absence or until eligible for long-term disability or recovery, whichever occurs first.

In order to qualify for the short-term disability program, employees need to:

- be a full-time employee;
- have completed their 6-month probationary period; and
- have proper medical certification.

### **SSES RE-QUALIFICATION PREMIUM**

Effective the beginning of the first pay period following ratification, the SSES Plant Control Operators' re-qualification premium as referenced in Article XI, Section 2, Paragraph C(3)(a) will be increased from \$.87 per hour to \$1.00 per hour for all hours paid as a qualified SSES Plant Control Operator.

### **REMOVE REFERENCE TO UTILITY SHIFT OPERATOR**

The parties agree to remove all references to the position of Utility Shift Operator, Job Code 3077, from the Labor Agreement as contained in:

Article XI, Section 2, Paragraph A  
Article XI, Section 2, Paragraph C  
Exhibit A

### **SSES LICENSED OPERATOR TRAINING PROGRAM**

The parties hereby agree to the following contract language changes:

1. Revise language contained in Article XI, Section 2, Paragraph B (7) of the Labor Agreement as follows:

Employees who fail to successfully complete the License Operator Training Program or who fail to license will be assigned the job of Nuclear Plant Operator at the applicable rate of pay provided they have previously held this title. License Operator Candidates resuming their Nuclear Plant Operator job will receive NPO job seniority credit for the time spent as Licensed Operator Candidates. They will not be considered for entry into the Licensed Operator Training Program for a minimum of two years from the date of failure; however, class compliment shall be limited to 25% Nuclear Plant Operators with a previous failure. Employees who reenter the License Operator Training Program and fail to successfully qualify on this second opportunity will only be eligible for future consideration to re-enter the program after successful completion of coursework to improve academic performance and/or efforts to improve their skills. The Company may allow the individual to re-enter the License Operator Training Program based on the above noted improvements.

2. Revise language contained in Article XI, Section 2, Paragraph B (1) of the Labor Agreement as follows:

On the basis of need, demonstrated aptitude and satisfactory job performance, Nuclear Plant Operators (NPOs) will be given the opportunity to enter the License Operator Training Program. The Company will notify the NPO(s) at least three (3) months prior to the start of training and the NPO(s) must then notify the company within two (2) weeks whether they choose to enter the program. Upon refusal to enter the License Operator Training Program the company may select the next NPO(s) by job seniority order.

## **ELECTRIC UTILITIES DISTRIBUTION OPERATIONS – REGIONAL T&D AND M&E**

### **Call-outs and Overtime Opportunities**

The parties agree to meet within 90 days from the date of ratification to review all existing callout grievances in an attempt to resolve them. In addition, the parties will review all rosters in an attempt to combine some rosters to achieve broader coverage within a region.

The parties will amend the Overtime Opportunities Agreement (MA 09-0410) to include the following:

1. The Company will post daily and monthly overtime response rates (callout and prearranged). The employee will have responsibility to make sure the information posted is accurate. Any inaccurate information shall be brought to the Company's attention as soon as reasonably possible but no later than one month after the occurrence by the employee. Any inaccurate information which is verified shall cause the Company to adjust the incorrect information and subsequently adjust their response rate.
2. There will be no charge for a missed callout to employees who are on rest period during non scheduled hours. The employee would receive credit if they respond. Employee must notify a supervisor or Dispatch if they are taking rest. The amount of rest during nonscheduled hours can not exceed the time allowed per Article IV Section 5 of the Labor Agreement.
3. If an employee returns a call within ten minutes of being called and the employee accepts but the need no longer exists, the employee will not be charged for a missed call-out. The employee is responsible for proof of call if no record is available.
4. Any call at the end of an employees' normal workday and roster is used – employee will receive a credit/charge for overtime response in accordance with the Overtime Opportunities Agreement.
5. The Company may use an appropriate job classification that is available at headquarters to respond to a call one hour prior to normally scheduled workday. Employees will not receive a charge for a missed call-out for not responding one hour prior to beginning of normally scheduled workday or one hour after the end of their normal workday, to allow for normal commute. Employees on a temporary work assignment will follow the Overtime Opportunity Agreement.
6. When an employee works non-scheduled hours and meets the requirements of Exhibit B prior to a scheduled vacation day, the employee will be entitled to take appropriate rest and reschedule their vacation day.
7. The Company may deny requests for personal time (PT) based on roster availability.

8. Given three day notice and with written approval of the supervisor, employees may be granted up to 56 hours of PT (weekends off) with the maximum of 2 weekends per month.
9. Less than three day notice, limit PT requests to a minimum of two hours to a maximum of 8 hours.
10. Management may cancel or deny PT for impending weather, training, emergencies, etc.
11. For the above PT requests, exceptions will be considered on a case by case basis with management approval.
12. Member notes will be added to overtime rosters only by the joint agreement of Local 1600 chief steward or designee and Regional Management.
13. Elimination of the pager wait rules.
14. Would allow for volunteer rosters to be used for high side primary rosters only.

In addition, the parties agree to extend the Overtime Opportunities Agreement for Distribution Operations - T&D and M&E dated 3/26/09 for the term of this agreement with the following cancellation language incorporated into the agreement.

It is understood that either party may cancel this agreement by written notice to the other party ninety (90) calendar days prior to the effective cancellation date.

#### **Troubleman Agreements**

The parties agree to extend the current Troubleman Agreements for Distribution Operations - T&D for the term of this agreement with the following cancellation language incorporated into the agreements.

It is understood that either party may cancel this agreement by written notice to the other party ninety (90) calendar days prior to the effective cancellation date.

#### **Settlement Agreement for 06HBG-006 (Contractors working storm restoration)**

The parties agree to extend the Settlement Agreement for grievance 06HBG-006 dated 3/19/09 for the term of this agreement with the following cancellation language incorporated into the agreement.

It is understood that either party may cancel this agreement by written notice to the other party ninety (90) calendar days prior to the effective cancellation date.

#### **Flame Resistant (FR) Clothing**

The parties agree to the following:

Remove Article VIII, Section 17, Paragraph A from the labor agreement, which is titled Serviceman Uniforms, as Servicemen are included in MA 08-0490 for Flame Resistant (FR) clothing as full-time users.

Effective January 1, 2011, increase FR clothing allotments for PPL Electric Utilities beyond the initial allotments as detailed in MA 08-0490 as follows:

Beginning in year five (5) after being placed in a position that requires FR clothing, and every other year thereafter:

- 1) \$250 for full-time users
- 2) \$150 for part-time users
- 3) \$125 for occasional users

The following example is for illustrative purposes:

A full-time user previously received allotments under MA 08-0490 as follows:

2008, Year 1 – received an initial allotment of \$1,000.

2009, Year 2 – received \$500 allotment plus a carryover of unused dollars from 1<sup>st</sup> year.

2010, Year 3 – received \$400 allotment plus a carryover of a maximum of \$250 unused dollars.

- With this agreement, going forward they would receive future allotments as follows:

2011, Year 4 – No additional allotment, but has unused carryover from Year 3.

2012, Year 5 – \$250 additional allotment. Employee used \$200.

2013, Year 6 – No additional allotment, but employee carried over \$50 and spent \$25.

2014, Year 7 – \$250 additional allotment.

Carryover of any unused allotment is limited to one year only and cannot be carried over to any subsequent years.

In addition, MA 08-0490 will be incorporated into the Labor Agreement as Exhibit P – Flame Resistant (FR) Clothing to include the above language for allotments beyond the initial allotments.

### **JOINT DISABILITY COMMITTEE CLARIFICATIONS**

The parties agree to revise the letter, included as Attachment 5, which is sent to permanently partially disabled employees initially placed before the Joint Disability Committee (JDC) requesting a release of medical information. The intent of revising this letter is an attempt to:

- 1) clarify why the JDC is requesting the release of medical information; and
- 2) explain how the medical information will be used by the JDC in their attempt to find alternative placement for the employee.

**JOINT LABOR/MANAGEMENT TEAMS**

1. The parties agree to meet no later than six (6) pay periods following ratification to review opportunities for establishment of a joint team to address consolidation of Collective Bargaining Agreement that will:
  - Incorporate changes contained in the 2010 Summary of Agreement
  - Review and address contract language clean-up
  - Incorporate, where possible, active agreements into the Collective Bargaining Agreement
  - Identify and reconcile conflicting contract language
2. The parties agree to meet no later than six (6) pay periods following ratification to review opportunities to introduce the IBEW Utility Code of Excellence.
3. Parties agree to charter a joint benefits committee to address plan administration and cost containment strategies.

**The IBEW Local 1600 Negotiating Committee proactively supports and recommends ratification of this Summary of Agreement by the membership of IBEW Local 1600.**

**FOR PPL CORPORATION**

**FOR LOCAL 1600  
INTERNATIONAL BROTHERHOOD OF  
ELECTRICAL WORKERS**

  
\_\_\_\_\_  
Stephen R. Russo  
VP-Human Resources & Services  
PPL Service Corporation  
Acting as Agent for PPL Corporation

  
\_\_\_\_\_  
Lester S. Ettl  
President and Financial Secretary

5-21-10  
Date