

AGREEMENT

between

MIDWEST ENERGY, INC.

and

COMMUNICATION WORKERS OF AMERICA, AFL-CIO

2015 - 2017

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE 1	BASIC PRINCIPLES 1
1.1	Cooperation 1
1.2.1	Recognition..... 1
1.3	No Strikes or Lock-Out 3
1.4	No Discrimination..... 3
1.4.2	Nondiscrimination 3
1.5	Federal and State Laws 3
1.6	Gender Reference 4
1.7	Recognition of Union Officers..... 4
1.8	Deduction of Dues 4
ARTICLE 2	INDEPENDENT CONTRACTING 4
ARTICLE 3	MANAGEMENT RIGHTS 4
ARTICLE 4	SETTLEMENT OF DISPUTES 5
4.1	Disputes and Grievances 5
4.2	Grievance Procedure..... 5
4.3	Arbitration Procedure 6
4.4	Grievance and Arbitration Meetings..... 7
4.5	Grievance Settlement..... 7
ARTICLE 5	LEAVE OF ABSENCE 7
5.1	Ordinary Leave of Absence..... 7
5.2.1	Union Business 7
5.3	Military Service 8
ARTICLE 6	SENIORITY 8
6.1	Seniority Defined 8
6.2	Measurement of Seniority 8
6.3	Part-time Employees..... 8
6.4	Termination of Seniority 8
ARTICLE 7	PROMOTIONS, JOB POSTING, LAY-OFFS AND REHIRS..... 9
7.1	Promotions 9
7.2	Job Postings 9
7.3	Lay-offs and Demotions 10
7.4	Rehires 11

ARTICLE 8	WORK DAY AND WORK WEEK	11
ARTICLE 9	OVERTIME, CALL, EXPENSES AND MEALS	11
9.1	Overtime	11
9.2	Stand-By Access	12
9.3	Expenses	14
9.4	Meals	14
ARTICLE 10	PAID ABSENCES	15
10.1	Personal Time Off (PTO)	15
10.1.1	Accrual	15
10.2	Sick Leave Bank	17
10.3	Holidays	18
10.4	Bereavement.....	19
10.5	Jury Service.....	19
ARTICLE 11	GENERAL WORKING RULES AND REGULATIONS	19
11.1	General Working Rules	19
11.2	Pay Days.....	19
11.3	Transfers	19
11.4	Protective Working Equipment	20
11.5	Employee's Address	20
11.6	Absence Notice	20
11.7	Employee Conduct.....	20
11.8	Inclement Weather.....	21
11.9	Advancement of Apprentices.....	21
11.10	Joint Safety Advisory Committee	21
11.11	Work on Property of Another Utility Company	21
ARTICLE 12	PENSION AND INSURANCE PROGRAMS	22
12.1	Medical Insurance	22
12.2	Pension.....	22
12.3	Life and AD&D.....	22
12.4	Long-Term Disability	23
12.5	Partial Permanent Disability	23
ARTICLE 13	WAGES.....	23
13.1	Wages	23
ARTICLE 14	TERMINATION OR MODIFICATION	23
14.1	Termination or Modification.....	23
	SCHEDULE OF DEPARTMENT CLASSIFICATIONS AND HOURLY WAGES.....	25

AGREEMENT

This Agreement, originally made on July 8, 1998, by and between MIDWEST ENERGY, INC., Hays, Kansas ("Company"), and COMMUNICATION WORKERS OF AMERICA, AFL-CIO ("Union"), and amended from time to time thereafter, is hereby further amended and restated in its entirety as follows, generally effective as of March 8, 2015, except as otherwise specified herein.

ARTICLE 1 BASIC PRINCIPLES

1.1 Cooperation.

1.1.1 The employer and the employees represented in this Agreement have a common and sympathetic interest in the utility industry and realize that proper working conditions and harmonious relations are necessary to maintain a mutually beneficial relationship between the employer, employees and the public. Progress in industry demands a mutuality of confidence between employer and employee and each will benefit by continuous peace and by adjusting any difference that may arise by rational, common sense methods.

1.1.2 It is the mutual desire of both parties hereto to provide for uninterrupted and continuous service.

1.1.3 The Union understands the importance of conducting electric and gas operations of the Company in an efficient manner. To further this goal, the Union agrees to cooperate in any Company cross-training program to qualify employees to perform gas and electric maintenance/construction work. However, it is understood that the cross-training of IBEW personnel to become gas qualified lineman serviceman and CWA personnel to become combination journeyman will not result in the layoff or prevent the recall of any member of either the IBEW or CWA.

1.2.1 **Recognition.** The Company recognizes the Union as the exclusive bargaining agent for former KN Energy, Inc. employees who worked as distribution and service specialists in the communities listed below prior to the acquisition of that group by Midwest Energy, Inc. The Company and the CWA agree that the CWA will share jurisdiction of jobs that fall within the following departments: gas maintenance, including welder, gas meter technicians, service specialists and meter readers with Local Union No. 304 of the International Brotherhood of Electrical Workers. It is understood that employees of the Company who belong to those respective unions will fill jobs in those departments in the future and the performance of those jobs by members of either union will not constitute a breach of this agreement. It is also understood that the Company may, but is not obligated to, hire new persons to replace retiring or terminated employees for "gas only" positions, such as gas maintenance, including welder, gas meter technicians, and service specialists, in the following locations: Atwood, Colby, Dighton, Hill City, Hoxie, Ingalls, Lakin, Leoti, Norton, Oakley, Oberlin, Phillipsburg, Plainville, Quinter, Rush Center, St. Francis, Scott City, Sharon Springs, Stockton, and Tribune. If the Company does hire a new person for a position at such locations, it agrees that the

CWA contract will control the terms and conditions of employment. It is also further understood that in connection with hiring new persons to fill meter reader positions in the following locations: Dighton, Ingalls, Lakin, Leoti, Norton, Oakley, Oberlin, Phillipsburg, Plainville, St. Francis, Scott City, Stockton, and Tribune, the Company will recognize the CWA contract as the contract which controls the terms and conditions of employment. Excluded from the bargaining unit are office and office clerical employees, professional employees, supervisory employees and guards as defined in the NLRB, employees represented by the IBEW, electrical line workers, and employees of the liquid fuel operation.

1.2.2 Lineman-Serviceman for the IBEW at Atwood, Bird City, Colby, Hill City, Hoxie, Oakley, Quinter and Sharon Springs. Duties will include all of the present duties of a lineman/serviceman including (1) gas meter changeouts, installations and disconnects; (2) gas meter reads; (3) gas line locates; and (4) assist a qualified gas journeyman with the installation of poly gas lines (yard and service). The CWA agrees that these specific gas duties of a combination service specialist may be performed by an IBEW lineman serviceman in the Company's sole discretion.

Whenever the Company posts the position for lineman/serviceman at one or more of the locations listed above, the individual selected will become eligible for cross-training by a CWA journeyman to acquire the technical skills required to perform the additional duties. Once the individual receives 600 hours of cross-training, he or she will then be paid that classification rate. In view of the difficulty in scheduling this cross-training at these locations, the period of time required to complete the training may continue for one year, not to exceed three years.

1.2.3 Combination Journeyman for the CWA at Atwood, Colby, Hill City, Hoxie, Oakley, Quinter, Sharon Springs and St. Francis. Duties will include all of the present duties of a Journeyman Gas Maintenance including (1) electric self-contained meter changeouts, installations, and disconnects; (2) electric meter readings; (3) electric line locates; and (4) assist a qualified electric journeyman on secondary voltage (120/240, 120/208, 277/480) installations. The IBEW agrees that these specific electric duties of a lineman serviceman may be performed by a CWA combination journeyman in the Company's sole discretion.

Whenever the Company posts the position for combination journeyman at one or more of the above locations, the individual selected will become eligible for cross-training by an IBEW journeyman lineman to acquire the technical skills required to perform the additional duties. Once the individual receives 600 hours of cross-training, he or she will then be paid at that classification rate. In view of the difficulty in scheduling cross-training at the locations listed above, the period of time required to complete the training may continue for one year, not to exceed three years.

1.2.4 It is recognized that the Company is currently engaged in establishing new businesses such as its current liquid fuel business. It is agreed that employees of the Company in this business or in any future business or operation that the Company may establish are not covered by this labor agreement and the Company does not recognize

the Union as the exclusive bargaining agent for those employees. The word “employee” or “employees” as used in this Agreement shall refer only to those employees who work in the departments and communities referred to in this Agreement.

1.2.5 In the event of a sale of substantially all of the assets of the Company, the Company agrees that it will bargain with the Union regarding the effects of such sale on the employees covered by this Agreement.

1.3 **No Strikes or Lock-Out.** The Company agrees that during the term of this Agreement, or any extension thereof, there shall be no lockout of the members of the Union, and the Union on its part agrees that there shall be no strikes, wildcat strikes, walkouts, slowdowns or work interruptions of any kind whatsoever ("Work Interruptions") including but not limited to sympathy strikes in support of this Union, or any other union, or any Work Interruptions over jurisdictional issues. Any grievances or disputes between the parties hereto will be amicably adjusted or arbitrated as hereinafter provided in Article 4. Nothing herein is intended, however, to prevent the resignation or discharge of individuals, the discharge being subject to review under the conditions and in the manner herein specified. In the event of a Work Interruption of any kind whatsoever, the Company agrees to first contact the Union by facsimile. The Union has 48 hours from the date of faxing to correct such problem before the Company takes any action pursuant to this Article.

1.4 **No Discrimination.**

1.4.1 It is the policy of the Company to extend equal opportunity to all employees in all aspects of their employment, and it is agreed by the parties to this Agreement that neither the Company nor the Union shall discriminate unlawfully against any employee because of such employee's race, color, religion, sex, age, national origin, disability, or veteran status.

1.4.2 **Nondiscrimination.** All employees covered by this Agreement, while they continue in the employ of the Company, may become and remain members of the Union, but shall not be required to become members thereof. The Company shall not interfere with or prevent any such employee from becoming or continuing as a member of the Union and will not discriminate against any employee because of membership in the Union.

1.4.3 The Company and the Union agree to act fairly and impartially with respect to all employees covered by this Agreement, regardless of Union membership. The Union agrees that neither it, its members nor its agents will intimidate or coerce employees into the Union and that neither it, its members nor its agents will solicit membership in the Union on Company time or Company property or during the working hours of any employee or employees. Conversations relative to Union matters not involving solicitations shall not be prohibited if they do not interfere with the work of employees.

1.5 **Federal and State Laws.** Nothing in this Agreement shall be construed to deprive any employee, the Company or the Union, of any right or privilege provided by applicable

laws of Government, State or Federal, including the Kansas State Workers' Compensation Act.

1.6 **Gender Reference.** Reference in this Agreement to either the male or female gender is intended to include both genders.

1.7 **Recognition of Union Officers.** The Company recognizes the right of the Union to elect and designate Officers who shall be recognized as a representative of the Union as provided herein. The Union shall notify the Company of the names of accredited officers.

1.8 **Deduction of Dues.**

1.8.1 The Company agrees that upon the receipt of written authorization from the employee, the Company will deduct Union Dues each pay period and COPE contributions on a monthly basis in the amount authorized by the Union and transmit the same to the Union.

Such authorization may be revoked by giving written notice to Midwest Energy, Inc. Such revocation shall become effective on the first of the month following receipt by the Company.

In the event there is a change in the Union dues to be deducted, such change must first be authorized by a written notice executed by a Union representative and delivered to the Company.

1.8.2 It is expressly understood that the Company shall assume no liability in connection with the voluntary deductions of employees' dues or COPE contributions, and in the event of any dispute between the Union and the employee involved concerning said deductions, the Union agrees to indemnify and hold the Company harmless from all losses, expenses, costs, and attorneys' fees.

ARTICLE 2 INDEPENDENT CONTRACTING

2.1 The Company shall have the right to contract out or engage such firms or persons as it desires for construction or maintenance work or the installation of machinery or equipment provided such contracting does not result in the discharge or layoff because of lack of work of any regular employee in the classification of the work being contracted while such work is in progress and on account thereof.

ARTICLE 3 MANAGEMENT RIGHTS

3.1 Nothing in this Agreement shall be deemed to limit the Company in any way in the exercise of all functions of management, except those specifically abridged, delegated, qualified or modified by this Agreement.

3.2 The Company and the Union recognize that efficient Company operations may from time to time require that qualified employees represented by the IBEW be utilized to perform jobs in the departments that fall within the scope of the work covered by this Agreement. Therefore, the Company and the Union agree that such work assignments may be made without regard to Union jurisdiction so long as such assignment does not reduce the number of regular hours available, displace an employee to a lower paying job, result in a layoff or prevent the recall of any employee.

3.3 The right to manage the Union in carrying out its functions to represent the employees designated by the recognition for the purpose of collective bargaining affecting wages, hours of work and other conditions of employment, including the right to process grievances, shall not be interfered with by the Company or its agents except as these rights are limited by this Agreement.

3.4. **Mixed Crew.** Whenever in the Company's judgment, it becomes necessary to form a crew composed of IBEW and CWA personnel, the worker in charge will be filled by the Union in whose jurisdiction the work is being performed unless safety considerations dictate otherwise.

ARTICLE 4 SETTLEMENT OF DISPUTES

4.1 Disputes and Grievances.

4.1.1 Any grievance of any employee covered by the terms of this Agreement and pertaining to promotion, demotion, layoff, discharge or discrimination, or any dispute which shall arise between the Union or its members and the Company with respect to the meaning, interpretation or application of any of the terms or provisions of this Agreement, shall be determined by the procedure set forth in this Article. No action or matter relating to promotion, demotion, layoff, discharge, transfer or claim of discriminatory or preferential treatment shall be considered unless the grievance is submitted in writing by the party aggrieved in accordance with this Article within fifteen (15) working days from its occurrence.

4.1.2 Time limits may be extended by mutual agreement of the parties.

4.2 Grievance Procedure.

Step 1. Grievances shall be submitted first to a nonbargaining unit supervisor and such supervisor shall accord the employee or Union representative, or both, an opportunity for immediate hearing and shall make his decision known to the complainant within five (5) working days after the matter is referred to him. A bona fide effort shall be made by both parties to settle all grievances at this level.

Step 2. The written grievance shall be submitted by the Union Steward to the Department Manager or his designated representative in which the grievance arose, and such Department Manager or designated representative shall accord the employee and

Union representative an opportunity for a hearing within five (5) working days following receipt of such grievance. He/she will make his/her written decision to the Union within five (5) working days after the grievance has been discussed. If the grievance is not settled, it may be appealed to the next step within fifteen (15) working days following receipt of the Company's answer.

Step 3. If the grievance is not settled with the Department Manager or designated representative, it shall be submitted by the CWA International Representative or his designated representative to the President of the Company or his designated representative who shall give the employee and Union Representative an opportunity for a hearing within five (5) working days following receipt of such grievance. He/she shall render his/her decision in writing to the Union within five (5) working days after the hearing. In the event the grievance is not satisfactorily adjusted at this step, it may be appealed to arbitration.

4.3 **Arbitration Procedure.**

4.3.1 Any grievance or dispute arising under this Agreement which is not satisfactorily adjusted in the manner provided in Section 4.2 of this Article may be submitted to arbitration by notifying the Company of its intention to arbitrate the grievance. Such notice must be given within thirty (30) calendar days following the date of the answer in Step 3. If the Union indicates its intention to arbitrate, the parties shall attempt to select an arbitrator by mutual agreement. If the parties are unable to agree upon an arbitrator, either party may apply to the Federal Mediation and Conciliation Service which shall be requested to furnish a list of nine (9) arbitrators from which the parties shall select one (1) arbitrator. By mutual agreement, the parties shall have the right to reject the list of arbitrators and request another list. The selection of an arbitrator shall be by agreement, if possible; otherwise, the parties shall alternately strike one name from such list, with the party requesting arbitration striking the first name, until only one name remains. The remaining person shall be accepted by both parties as the arbitrator to hear and decide the dispute. It is understood that the arbitration proceeding outlined above may be extended by the parties' written agreement.

4.3.2 The arbitration hearing will be held at a time and location mutually acceptable to the parties. Each party shall bear the expense of preparing and presenting its own case. The expense of the arbitrator and incidental expenses of arbitration shall be borne equally by the parties hereto.

4.3.3 The arbitrator shall have no power to change any of the provisions of this Agreement. The arbitrator may, however, determine disputes as to wages, hours and working conditions submitted to arbitration as provided herein, together with any other matters specified herein. The decision of the arbitrator in the matter shall be final and binding upon the parties.

4.3.4 Any matter submitted to the arbitrator must be in writing, setting out particular details of the complaint.

4.3.5 If the Company has a grievance or dispute as to which the parties cannot agree, the Company on thirty (30) calendar days' notice to the Union, may have the matter submitted to arbitration as provided herein, without going through Steps 1, 2 and 3.

4.4 **Grievance and Arbitration Meetings.** When grievance or arbitration meetings occur during work hours, the grievant and his representative will be allowed to attend the meeting without loss of pay unless the grievant has been discharged. On grievances involving more than one grievant, the Company may limit the number of grievants attending the hearing so as not to disrupt the business of the Company.

4.5 **Grievance Settlement.** The settlement of any grievance in any step of the grievance procedure, when signed by the parties authorized to make the settlement, shall be final and binding upon all parties concerned.

ARTICLE 5 LEAVE OF ABSENCE

5.1 **Ordinary Leave of Absence.** Upon written request of an employee endorsed by his/her Department Manager and approved by the President, or his/her designated representative, said employee may be granted up to sixty (60) calendar days' leave of absence. Seniority shall not be forfeited during such leave. In cases of absence of over sixty (60) calendar days, employees shall be returned to work if they are then physically and otherwise qualified.

5.2.1 **Union Business.** Employees of the Company who may be called upon to transact business for the Union which temporarily requires their absence from duty shall, upon written application and twenty-four (24) hours' notice to their supervisor, be allowed to absent themselves for a sufficient time to transact such business, but shall not be compensated by the Company for such time, and provided that such employee can be spared from his/her regular duties without unreasonably interfering with the Company's operations. Effective for the next Agreement beginning January 1, 2017, employees selected to serve on the Union Bargaining Committee shall accrue PTO for the days that the Company and the Union meet to bargain a new agreement.

5.2.2 An employee of the Company who may be elected or appointed to office in the Union which requires his/her absence from duty for an extended period of time, shall be granted a leave of absence, without pay, for the term of such office on written application to his/her Department Manager made not less than two (2) weeks in advance of the beginning of such absence. Such leave may be renewed with the consent of the Company at the termination of each term of office. Upon return to work, such employee shall be reinstated to the Company's employ in his/her former occupation which may be available, provided that the employee is fully qualified physically and in all other respects to return to such work, or do such job, and provided further, that the total length of such leave or leaves of absence shall not have extended beyond four (4) years. Other employees agree to any demotion which may be necessary due to such reinstatement. Time served on such leave of absence shall accumulate seniority under this Agreement.

5.3 **Military Service.** An employee who enters military service will be granted leave of absence, without pay, and with continuing seniority and reemployment rights in accordance with all Federal and State Laws pertaining to such military service.

ARTICLE 6 SENIORITY

6.1 **Seniority Defined.** Seniority, as considered in this Agreement, is preference or priority due to length of service that entitles employees to certain rights, as set out herein, with respect to promotions, job security and other factors of employment, except they will not receive prior credited service from KN under the Midwest Energy Pension Benefits Program provided by Section 12.2.

6.2 **Measurement of Seniority.** Seniority for employees represented by a bargaining unit of the CWA or IBEW prior to January 1, 1999, shall be measured by the length of the regular employee's continuous service with the company or its predecessors. Seniority for employees hired or transferred into a bargaining unit job, CWA or IBEW, effective January 1, 1999, shall be measured from the date they enter a bargaining unit position. In case of disputes, Company records shall govern this measurement. During the first six (6) months of continuous employment as a full time employee, which is the probationary period, an employee shall not be considered to have seniority, however, upon completion of this probationary period, seniority shall extend from the first day of employment which has not been broken by an interruption. During the probationary period, an employee may be discharged without recourse to the grievance procedure. The probationary period may be extended beyond six (6) months by mutual agreement.

6.3 **Part-time Employees.** Part-time or temporary employees shall not acquire seniority, but if such an employee should be hired on full-time basis for a period of four (4) months or longer, his prior service shall be counted towards seniority at the rate of one (1) day for each eight (8) hours worked during the twelve (12) months immediately preceding the date full-time service commences, provided his total time amounts to six (6) months or more. School, college or university students working during the school year or vacation periods shall be considered as part-time or temporary employees.

6.4 **Termination of Seniority.** Seniority of an employee shall terminate under any of the following conditions:

- a. When an employee quits or resigns.
- b. When an employee is discharged for just cause.
- c. When an employee is laid off continuously for a period of twenty-four (24) months.
- d. When an employee who has been laid off fails to return to work within two (2) weeks after written notice requesting his/her return has been sent by registered mail to his/her last known address, or if such employee fails to notify the Company of his/her

intent to return within forty-eight (48) hours after return of receipt for registered letter containing such notice.

ARTICLE 7
PROMOTIONS, JOB POSTING, LAY-OFFS AND REHIRS

7.1 **Promotions.** When, in the fair and impartial judgment of the Company, with mutual agreement of the Union or its representative, skill merit, ability, fitness and efficiency are substantially equal, to make the employee competent to fill the job, promotions, filling new positions and choices of jobs of equal grade in cases of vacancies shall be made in accordance with total seniority measured as stated in Article 6 and applied as specified in Section 7.2. When an employee is promoted, he/she shall be given up to six (6) months to become acquainted with the position and prove his/her ability to fill it satisfactorily to the Company. If an employee proves incapable of fulfilling the position within the trial period, he/she shall be returned to his/her former position without loss of seniority and other employees shall consent to such demotions as are necessary for him/her to resume his/her former position. If an employee chooses not to remain in the position due to dislike of the position, he/she shall not have the right to return to his/her former position.

7.2 **Job Postings.**

7.2.1 When a permanent vacancy occurs and the Company determines to fill such vacancy, then a posting will be made so employees may bid.

7.2.2 Job Postings, when required will be posted for seven (7) calendar days describing the job, its location and current pay rate scales. Persons who are qualified must file a written application with the Department of Human Resources and will be given the following priorities:

- (a) Department of the vacancy.
- (b) All departments.
- (c) (Gas) Department as defined by the IBEW contract.
- (d) All departments throughout the Company as set forth in the IBEW contract.
- (e) Thereafter, the Company may fill the position by hiring from any other source.

For purposes of this contract, the departments shall be recognized as those set forth in the schedule attached hereto at the end of this contract. Locations are those listed in Section 1.2.1. Each employee who bids on an opening shall be given an opportunity for an interview.

7.2.3 The Company will furnish the Local President of the Union, or his designated representative, a copy of all bids at the time of posting, a list of all applicants bidding the posted job and the person selected to fill such vacancy. The Company will notify all job bidders whether or not they are the successful bidder.

7.2.4 If a job is posted while the employee is on vacation, said employee will have two (2) days to express a desire for said position upon his/her return to work.

7.2.5 It is understood that in connection with hiring new persons to fill these positions and any others that may be created during the course of this contract, the Company will notify the union official designated by CWA Local 7476 of this fact within five (5) working days after the new hire begins work.

7.2.6 Until the person is selected in the manner herein provided, the vacancy may be filled by the Company on a temporary basis. Temporary promotions including those due to sickness, vacations, leave of absence and the like will not be posted.

7.2.7 It is understood and agreed that the Company may require any employee who is selected to work as a gas maintenance person, service specialist or welder to reside within a reasonable driving time (under normal conditions) from his assigned work station.

7.3 **Lay-offs and Demotions.**

7.3.1 Lay-offs and/or demotions which may be necessary on account of lack of work or reduction in forces shall be according to seniority and applied as follows:

In recognition of the fact that the Company's workload may vary in the various reporting locations, lay-offs or demotions by department will be initiated at the reporting location which the Company deems to be necessary. Employees with the least seniority in the departments to be reduced who are laid off or demoted at such specific location or locations will then be entitled to exercise his/her seniority rights by replacing the least senior employee within the department. It is understood that apprentices will be laid off at a reporting location before any journeyman.

If the Company determines that a gas maintenance or service specialist at a specific reporting location needs to be laid off or demoted, the gas maintenance or service specialist will be entitled to exercise his/her seniority rights by replacing the least senior Journeyman at that reporting location if he/she is qualified and competent to fill the least senior Journeyman position or, if there is no least senior journeyman position available, replace the least senior meter reader if he/she is qualified and competent to fill that position.

In the case of lay-off or demotion, the knowledge, abilities, skill and efficiency and physical fitness of the employee must be at a level to make him/her competent to fill the job to which he/she is to be laid off or demoted.

7.4 **Rehires.** When adding to the Company's forces, employees who have been laid off within the preceding twenty-four (24) months and are able to meet hiring requirements of the jobs, will be contacted in accordance with their seniority and given the opportunity to elect to be rehired.

ARTICLE 8 WORK DAY AND WORK WEEK

8.1 A regularly scheduled work week shall consist of five (5) consecutive days of eight (8) hours each. Eight (8) hours shall constitute a regular day's work. A regular day shall be any period of time which starts at 12:00 a.m. and ends at 11:59 p.m. of that calendar day. Any travel during the lunch period will be on the employee's time.

8.2 Five (5) consecutive days of eight (8) hours each shall constitute a regular work week and for day crews, except as herein provided, shall begin on Monday morning and terminate Friday evening, or begin on Tuesday morning and terminate Saturday evening. For day crews, a regular day's work shall be between the hours of 8:00 a.m. and 12 noon and 12:30 p.m. to 4:30 p.m., with one-half (1/2) hour for lunch. When an employee is required to change his regular scheduled work hours from one period to another, the change shall be for a minimum of five (5) days unless mutually agreed otherwise.

8.3 It is agreed that any crew may with the consent of the Company elect that four (4) consecutive days of ten (10) hours each shall constitute a regular work week. Such an election shall be made on a week to week basis unless mutually agreed otherwise. Work performed after ten (10) hours shall be paid for at one and one-half (1 1/2) times the regular hourly rate of pay.

8.4 When employees attend training, the work day will be eight (8) hours with one (1) hour for lunch. The Company agrees to give employees 24 hours' notice for in-house training.

8.5 Upon consent from the Company and the majority of the affected employees in a given department at a specific location, alternative work hours and work weeks may be established.

ARTICLE 9 OVERTIME, CALL, EXPENSES AND MEALS

9.1 Overtime.

9.1.1 Work performed outside of the regular working hours of the regular five (5) day work week shall be paid for at one and one-half (1 1/2) times the regular hourly rate of pay except as otherwise provided in Section 8.2, supra. Double time two (2) times regular hourly rate shall be paid for work performed outside of the regular working hours on the regular holidays listed in Section 3.1 of Article 10. Double time shall be paid for overtime work performed on Sundays. Double time shall be paid for work performed during the first eight (8) hours worked on the second day of an employee's two (2) regular

week days off, but this shall not require the payment of double time upon double time; this second day off provision does not apply if the employee is not scheduled to work on Sunday. Refusal to work overtime may result in disciplinary action.

9.1.2 When an employee is required to work sixteen (16) continuous hours, which may include time off for meals, and such employee continues working following the sixteenth (16th) continuous hour, he/she will thereafter be paid double time until he/she is relieved for eight (8) consecutive hours. If any part of this eight (8) consecutive hours of relief is during his/her regular scheduled hours, he/she shall receive straight time for such hours. An employee who is called back to work during his/her eight (8) hour rest period, after having been released for such rest period, shall be paid at the double time rate for the consecutive hours worked thereafter until released again for an eight (8) hour rest period.

When an employee is called back following his regular shift, prior to midnight and works past midnight, and then reports to work before having eight (8) hours rest, he/she will be paid double time until he/she receives eight (8) hours rest, providing he/she has notified his/her immediate supervisor when he/she stops work.

9.1.3 The employee has the responsibility to report to a non-union supervisor whenever he/she is within two (2) hours of working sixteen (16) continuous hours. An employee shall not work more than sixteen (16) continuous hours without non-union supervisor approval. If he/she fails to notify the supervisor, he/she forfeits his/her double time.

9.1.4(a) When employees are called for work after being released at their regular quitting time or preceding the start of their regular work day, they shall receive their respective overtime pay, but in no case shall they receive less than two (2) hours of such pay, time to start at time when employees are called. A second call-out within two (2) hours of the original call-out shall be considered one call-out. An employee will be expected to show up within a reasonable time after being called.

9.1.4(b) For a callout that occurs on a holiday recognized or observed under Article 10.3, the employee shall receive a minimum of three (3) hours applicable overtime pay. Time shall start when an employee is called. The three hour call-out provision for a holiday will apply from 12:00 midnight to 11:59 pm.

9.1.5 There shall be no pyramiding of overtime or premium time.

9.2 **Stand-By Access.**

9.2.1 When there is a business need that requires the employees to respond to after-hour calls in emergency situations, the following provisions shall apply:

9.2.2 The Company shall implement a formal stand-by plan by the terms of which all qualified Gas Maintenance and Gas Meter Technicians personnel shall be required to be available for after-hour service calls on a weekly rotational basis. Compensation for

stand-by shall be paid at the employee's straight time hourly pay rate for his regular job classification, as follows:

- a. One (1) hour per day for weekdays, and
- b. Two (2) hours per day for weekends and for recognized and observed holidays.

9.2.3 Under present conditions, the Company's gas operations are in three divisions (Phillipsburg, Colby, and Scott City). As used in this agreement, the terms "gas division" and "gas territory" are not interchangeable; for example, there may be more than three gas territories, and the boundaries of one particular gas territory may include portions of two gas divisions. The Company and the Union shall mutually agree as to the number of gas territories.

9.2.4 At least sixty (60) days prior to the first day of each six-month period (April 1 and October 1), the Company shall provide a blank stand-by schedule for the following six-month period for each of its gas territories. The first week of stand-by for each six-month period shall begin at midnight on the first Monday in that six-month period, and shall end at midnight on the following Monday, and each subsequent week of stand-by for that six-month period shall follow accordingly (it is understood that the last stand-by week that starts in one six-month period may actually end during the next six-month period). The schedule shall be filled in the following order:

- a. Each employee shall volunteer for one (1) week of stand-by in his territory during such six-month period, by signing up on the applicable schedule. The schedule shall be distributed to the most senior employee to volunteer first.
- b. Employees, in order of seniority, may volunteer to fill any remaining vacancies for such six-month period.
- c. Not more than thirty (30) days prior to the first day of the applicable six-month period, the Company shall retrieve all the schedules for that six-month period. If there is still a vacancy for one or more weeks on a schedule, or if an employee is later unable to fulfill his voluntary commitment on a schedule, then the Company shall fill the vacancy by assigning the least senior employee in that territory; provided, however, if that employee is already on the schedule, the Company shall fill the vacancy by assigning the next least senior employee, continuing up the seniority list until all vacancies on the schedule for such six-month period have been filled.

9.2.5 At least twenty-one (21) days prior to the first day of such six-month period, the Company shall post all of the completed stand-by schedules for such six-month period, both with the employees in the respective territories and with system control. With respect to the schedule for a particular territory for the next ensuing six-month

period, the Company shall commence filling vacancies, if any, by starting on the seniority list where it left off during the previous six-month period – i.e., by assigning the next least senior employee in that territory.

9.2.6 The Company shall use its best efforts to ensure that no employee is assigned stand-by for more than five (5) weeks in any one calendar year, and that no employee is assigned stand-by for more than one (1) holiday week in any one calendar year.

9.2.7 The assigned employee may exchange his assignment with another employee (alternate) on the schedule for the same territory, provided system control and the appropriate supervisor receive at least twenty-four (24) hours prior written notification of the exchange. The notification shall provide the name of the employee scheduled for stand-by, the name of the alternate employee, the name of the supervisor, and the applicable date(s). The alternate employee will then receive the stand-by pay for the applicable date(s). Any adjustments to a schedule are the responsibility of the assigned employee, and any exchanges made shall not create any liability for additional stand-by pay by the Company.

9.2.8 Each employee scheduled for stand-by will be required to carry a cell phone provided by the Company to make himself available by phone to the system operators and/or supervisor for after-hour, weekend, and holiday call outs. The assigned employee shall be required to report to his vehicle normally within twenty (20) minutes from the time he receives the call. When the employee arrives at his vehicle, he shall promptly notify system control to let the operator know he is on the way to the problem.

9.2.9 Each employee providing stand-by, when called, may contact another employee to respond to the call; provided, however, that in no event shall the normal twenty (20) minute response time specified in Section 9.2.8 be exceeded.

9.3 **Expenses.** When an employee is required to work out-of-town overnight and the Company purchases lodging, he/she shall be paid the flat per diem established by the U.S. General Services Administration for Kansas. The number of per diems paid shall be one more than the number of lodging nights purchased.

On January 1, 2009, the per meal dollar reimbursement allowances in Section 9.3 were deleted and replaced with a flat per diem.

9.4 **Meals.** On January 1, 2009, Section 9.4 regarding per meal dollar reimbursement allowances, was deleted in its entirety. In return, employees were granted an additional 30 cents per hour on their straight time wage rates. With the 2015 – 2017 Agreement, this increase has now been folded into the affected employees' straight-time hourly wage rates, and there is no longer any need to track or account for the meal add-on differentials. Although both parties acknowledge that any and all matters involving wages, hours, or conditions of employment are mandatory subjects of collective bargaining, it is the intent of both parties that the subject of meal reimbursement allowances not be brought to the table in future negotiating sessions.

**ARTICLE 10
PAID ABSENCES**

10.1 Personal Time Off (PTO).

Effective April 26, 2015, vacation bank hours will transfer to the Personal Time Off (PTO) bank.

10.1.1 **Accrual.** Each regular employee continuously employed for the respective periods shown will accrue PTO benefits as follows:

PTO will only be accrued on regular hours of work. The accrual rate is a combination of the vacation and sick leave accrual rates established in the 2012 – 2014 Agreement.*

PTO Leave Accrual per hour worked	<u>Begin</u> 1 st – 7 <u>Years</u>	<u>Begin</u> 8 - 15 <u>Years</u>	<u>Begin</u> 16th <u>Year</u>
1. Vacation Hours	80	120	160
2. Sick Leave Hours	<u>96</u>	<u>96</u>	<u>96</u>
3. Total PTO Hours	176	216	256
4. Vacation Accrual Rate*	.04739	.07282	.09950
5. Sick Leave Accrual Rate*	.05240	.05357	.05479
6. PTO Accrual Rate (4 + 5)	.09979	.12639	.15429
7. Year End PTO Carryover	80	120	160

10.1.2

(a) PTO pay shall be computed for each employee at the base rate of his regular position;

(b) PTO benefits for each employee shall be limited to those provided by the Contract in effect during the year in which the PTO is taken;

(c) PTO during each calendar year will be granted so far as possible at the time desired by the employees who shall have choices in order of seniority, but the final right of allotment of PTO period is reserved to the Company in order to ensure continuity of service. By March 15 of each year, employees will state their preference as to weekly or daily PTO time. In assigning PTO, the Company in so far as is feasible, will comply with the request, giving preference to requests of senior employees and employees who request a full week's PTO. The PTO schedule shall be established by April 1 of each year and shall not thereafter be changed for seniority reasons, but may be changed by the Company to ensure continuity of service. After April 1st of each year, any PTO requested will be granted on a first come, first served basis. Weekly PTO will be given preference over single day PTO. PTO shall not be postponed and made cumulative, except that no more than the employee's applicable number of accrued hours of PTO shown on line

seven [7] of Section 10.1.1 may be carried over into the next calendar year. Excess PTO hours will be determined at the end of the pay period which includes the 31st of December. All excess PTO hours will be moved to the employee's sick leave bank.

(d) An employee may take PTO one (1) or more days at a time if the employee makes a written request to the Company:

(1) at least one (1) week in advance for PTO periods of one week or more;

(2) at least two (2) working days in advance for any PTO period of less than one week;

in case of emergency, the employee shall advise his supervisor as soon as possible of any unscheduled time off. A return-to-work release form from a medical provider is required if the employee is off five consecutive work days for unscheduled time due to illness or injury.

In the event of any question as to the employee's absence being due to illness, the employee shall at the option of the Company either

(i) Submit to an examination by a physician of the Company's selection at no cost to the employee or

(ii) Furnish a certificate from the employee's physician relating to said illness.

(e) For hourly and half hour increments, PTO may be taken at the beginning of the day or at the end of the day but shall not be taken in the middle of the day except for medical appointments. Furthermore:

(1) If the employee uses a Company vehicle, his PTO time will start when he gets back to his reporting station.

(2) If the employee provides his own transportation, he will be paid no mileage allowance (either to or from the work site), and his PTO time will start when he leaves the work site.

(f) The Company has the right to grant PTO as long as the Company can make arrangements to ensure continuity of service.

(g) An employee, who has accrued PTO credits at the time of his termination of employment for any cause, shall receive the PTO pay that may be due him.

10.2 **Sick Leave Bank.**

(a) Sick leave bank is based on the accrued sick leave hours that have been accrued as of April 25, 2015. At year end, unused PTO hours that are not eligible for PTO carryover will transfer to the sick leave bank. The unused PTO hours will be determined at the end of the pay period which includes the 31st of December.

(b) Following 8 hours of PTO (each occurrence), accrued sick leave may be used for employee illness or illness of a dependent who is eligible and has obtained FMLA approval. For the purpose of this paragraph, a dependent shall be defined as an employee's spouse or dependent child who qualifies under the Company's group health plan. Illness shall be defined as sickness, injury and surgery/hospitalization and recovery therefrom. The following guidelines must be met:

(1) The illness is approved under the Family Medical Leave Act.

(2) The dates for leave must be listed on the Family Medical Leave form.

(3) For intermittent treatment, the employee must first use 8 intermittent hours of PTO.

(4) When FMLA applies to an employee's illness, the employee will be required to provide a return-to-work release form prior to returning to the job.

(c) Sick leave pay shall be computed at the rate of pay for his regular position.

(d) There shall be no limit on the amount of sick leave accumulated in the sick leave bank.

(e) An employee absent because of an on-duty accident and who has Family Medical Leave approval must use sick leave accumulation to supplement payments received under the Workmen's Compensation Law to the extent that the combined amounts shall not exceed the regular wages earned by the employee.

(f) In the event of any question as to the employee's absence being due to illness, the employee shall at the option of the Company either

(1) Submit to an examination by a physician of the Company's selection at no cost to the employee or

(2) Furnish a certificate of employee's physician relating to said illness.

(g) The rights of all employees under this Section shall cease upon termination of employment, and no unused sick leave will be paid to a terminated employee. Any balance in the sick leave bank at the time of an employee's retirement/voluntary resignation will be used to determine that employee's Wellness Incentive Award.

WELLNESS INCENTIVE PROGRAM

Effective January 1, 2015

To promote long term healthy lifestyles and benefit management, employees will receive an award upon termination of their career with Midwest Energy based on the sick leave balance at that time.

Eligible employees are those who are covered under the Group Health and Short-Term Sickness and Accident Disability Plans. Employees who terminate employment with Midwest Energy, Inc. for any reason other than discharge are entitled to the award.

The award levels are as follows:

SICK LEAVE BALANCE HOURS	AWARD AMOUNT
250-499	\$100
500-999	\$500
1000-1499	\$5,000
1500-1999	\$10,000
2000-2499	\$25,000
2500-2999	\$30,000
3000+	\$10 per hour

The award will be included with the final pay and is subject to withholding taxes as required by federal and state law.

10.3 **Holidays.**

10.3.1 The following days shall be recognized as holidays: New Year's Day, Good Friday, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Friday after Thanksgiving, Christmas Eve Day and Christmas Day.

10.3.2 As to employees scheduled to start work on Monday, if a holiday falls on Saturday, it will be observed on the preceding Friday and if it falls on Sunday, it will be observed on the following Monday. As to employees scheduled to start work on Tuesday, if a holiday falls on Sunday or Monday, it will be observed on the following Tuesday; if it falls on Saturday it will be observed on the Saturday.

10.3.3 An employee not normally required to work on an above-named holiday or day observed therefor shall receive eight (8) hours holiday pay at his straight time rate. When such an employee is required to work on such holiday or day observed therefor, he shall be paid one and one-half (1 1/2) times his straight time rate for hours worked during his basic work day (which includes the 30 to 60 minutes for meal time) in

addition to the above eight (8) hours holiday pay. When such an employee is required to work outside his basic work day on such a holiday or day observed therefor, he shall be paid two (2) times his straight time rate.

10.3.4 If one of the above-listed holidays or the day observed therefor falls during an employee's regularly scheduled vacation period or one of his regularly scheduled days off and he is not required to work that day, he shall receive eight (8) hours holiday pay at his straight time rate or in lieu thereof, at the discretion of the Company, he may be given an additional day off at straight time pay.

10.4 **Bereavement.** In case of death of mother, father, step-mother, step-father, brother, sister, spouse, child, step-child, grandparent, grandchild, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of an employee, leave of absence with pay shall be granted from the day of death to and including the day after the funeral; provided, however, that in no event shall leave exceed three (3) days.

10.5 **Jury Service.** Regular employees of the Company who may be called upon to serve on a jury which temporarily requires their absence from duty shall be paid their regular straight time wage by the Company with written verification from the court. Any day the employee is released from jury service 90 or more minutes prior to the end of his/her work period, he/she shall return to work.

ARTICLE 11 GENERAL WORKING RULES AND REGULATIONS

11.1 **General Working Rules.** The following rules shall apply to all employees covered by this Agreement except as herein otherwise provided.

11.2 **Pay Days.** All regular employees shall be paid on an hourly basis and paid every other Friday. If this pay day falls on a holiday, employees shall receive their pay not later than the preceding day.

11.3 **Transfers.**

11.3.1 Any employee transferred from any classification to another to accommodate the employer for one day or more shall receive the wage rate of the classification to which he/she is assigned. When employees are temporarily transferred from the classification to which they are regularly assigned to another classification paying a lesser wage, they shall suffer no wage reduction. When employees are temporarily transferred to classifications paying a higher wage, they shall receive the wage rate of the classification to which they are assigned.

11.3.2 No employee will be upgraded to foreperson during temporary absences of two (2) days or less (not including holidays) due to illness, PTO or for other reasons. After an absence of two (2) days, the senior qualified employee on that crew will be temporarily upgraded to the foreman wage set out in the schedule attached to this Agreement, provided he/she supervises one or more employees.

11.3.3 It is understood and agreed that in the event the Company may need to utilize one or more of its bargaining unit employees to make deliveries, install equipment or provide service in connection with its liquid fuel business or any other new business venture, the assignment of such employees for those purposes will not constitute a violation of this Agreement, or provide a basis for the Union to claim that this Agreement covers all of the employees in the Company's business ventures referred to above and that it has become the recognized bargaining representative for those employees.

11.3.4 Supervisors and other employees not covered by this Agreement shall not perform work normally performed by employees covered by this Agreement except in emergencies pending the arrival of covered employees.

11.4 **Protective Working Equipment.** When required in the performance of work, the Company shall furnish for regular employees protective devices as it deems necessary. It is further understood and agreed with respect to those tools, clothing and other work equipment which an employee signs for (hereinafter referred to as equipment):

(1) Such equipment will be replaced by the Company whenever it is determined that they do not meet service and safety requirements.

(2) If stolen when under the control of the Company, that is following completion of the work period, the Company will replace all except individually owned tools.

(3) If lost during the work period, for any reason, the Company employee will be charged for the replacement costs.

(4) If clothing furnished by the Company is damaged, altered or destroyed through employee neglect, the employee will be charged for the replacement cost.

11.5 **Employee's Address.** All employees covered by this Agreement shall keep their working headquarters informed at all times of their home or living quarters address and telephone numbers so that they may be reached promptly in the event of an emergency requiring their services.

11.6 **Absence Notice.** An employee who is unable for any reason to report for work shall notify his/her supervisor in sufficient time whenever possible to permit the supervisor to make arrangements for a substitute.

11.7 **Employee Conduct.** Insubordination, use of alcohol or nonprescription drugs during work hours, reporting to work after the use of alcohol or nonprescription drugs, dishonesty, fighting, violation of safety rules which are life threatening may subject an employee to immediate dismissal without prior warning. If the Company has reasonable cause to believe that an employee has reported to work after using alcohol or nonprescription drugs or is using such substances during working hours, it may require such employee to immediately proceed to a testing facility and consent to tests which

determine the presence or absence of such substances. Refusal to submit to such tests will result in termination.

11.8 **Inclement Weather**. The Company will not require employees to do construction or maintenance work out-of-doors during heavy storms or severe cold weather, unless such work is necessary to protect life or property or to maintain services to the public. Meter reading shall be performed with intermittent breaks as are appropriate for the weather and road conditions.

11.9 **Advancement of Apprentices**. Advancement of apprentices to the next grade shall be made upon the approval of the immediate non-union supervisor and union foreman or training advisor, based upon an examination which may be either written or oral. An apprentice who fails to pass an examination for promotion to the next grade may, upon recommendation of the above-named personnel's approval, continue his/her apprenticeship in the same grade for an additional six (6) months, but upon failure to pass the second examination, shall be either demoted or released. An apprentice upon completing his/her apprenticeship satisfactorily shall be promoted to journeyman rating. In determining an apprenticeship year, the term "year" shall be deemed to be two thousand (2,000) hours of actual time worked but not less than eleven (11) months. When an apprentice is restricted to light duty, work hours not needed for the current apprentice level as described in the apprentice program shall not count towards 2000 hours of actual time worked.

11.10 **Joint Safety Advisory Committee**. The Company, the Union and the IBEW agree to the establishment of a Joint Safety Advisory Committee. The purpose of the Joint Safety Advisory Committee is to provide a safe work environment for all employees by reviewing the Safety Manual, Safety Procedures, and safety related issues to make recommendations to the Company on those general accident prevention policies that affect the safety of the employees. The Joint Safety Advisory Committee shall consist of eleven (11) members: three (3) members to be selected by the CWA, four (4) members to be selected by the IBEW, and four (4) members to be selected by the Company, one of whom shall be the Safety Manager of the Company, or his representative, who will be chairman. This committee shall meet when the Company and the Unions mutually agree it is necessary but not less frequently than semi-annual. Employees engaged in such meetings during their regularly scheduled working hours shall suffer no loss in regular straight time pay for the time spent in these meetings. One IBEW and one CWA person will be invited to a presidential staff meeting to present issues to be acted upon.

11.11 **Work on Property of Another Utility Company**. When employees covered by this Agreement perform work on the property of another utility company, wages (as opposed to fringe benefits) paid for such work will not be less than the terms of this Agreement; nor will the wages (as opposed to fringe benefits) paid be less than the wages that prevail for comparable job classifications under the same working conditions on the property where the work is performed.

ARTICLE 12
PENSION AND INSURANCE PROGRAMS

12.1 **Medical Insurance.** Upon meeting eligibility requirements, the Company will provide, at no cost to each regular full-time employee on the active payroll, medical and dental coverage for the employee and his eligible dependents.

The Union agrees that the benefits to be purchased for the employees and their dependents shall be provided by an insurance company selected by the Company. It is understood that whatever plan is selected by the Company, it will be the same plan that covers all employees, both union and non-union.

The Company in its sole discretion may, at any time, amend the existing medical insurance policy or any policy which may be substituted therefor without the Union's consent.

The Company will provide the Union Bargaining Agent with full cost, employee premiums and any plan changes annually.

12.2 **Pension.** For each regular employee on the active payroll of the Company who meets the eligibility requirement of one (1) year of employment and has attained his/her 21st birthday, there will be paid into a pension fund an amount, which will result in a benefit based upon the following formula:

Prior to July 1, 2015:

2.0% of the Participant's Average Final Earnings, multiplied by Years of Service.

Effective July 1, 2015:

1.5% of the Participant's Average Final Earnings, multiplied by Years of Service.

Beginning July 1, 2015, the Company shall contribute 4% of base pay to the 401(k) Pension Plan for each regular employee on the active payroll of the Company who meets the eligibility requirement of one (1) year of employment and has attained his/her 21st birthday.

12.3 **Life and AD&D.** For each regular, full-time employee on the active payroll of the Company who has completed his eligibility requirements as specified in the insurance contract, there will be provided at no cost the sum of \$10,000.00 for life insurance and an additional \$10,000.00 in the event of accidental death. In the event of dismemberment, the amounts paid will be in accordance with the schedule included in the policy up to a maximum of \$10,000.00.

Any employee who retires on or after January 1, 2009 and before July 1, 2009, will be given the opportunity to purchase up to a maximum policy limit of \$3,000.00, provided they pay 100% of the premium.

12.4 **Long-Term Disability**. For each regular, full-time employee on the active payroll of the Company who has completed his eligibility requirement as specified in the insurance contract, the Company will provide long-term disability coverage. Benefits will commence after six (6) months of disability.

12.5 **Partial Permanent Disability**. A regular employee covered by this Agreement who develops partial permanent disability due to illness, injury or other causes and submits medical evidence establishing he/she cannot perform the essential functions of his/her regular job, will be transferred to a job with a rate of pay equal to or less than he/she received at the time the partial disability occurred, which he/she can fill effectively, provided a vacancy exists. The Company has the option of having the employee examined by a physician which it selects, if it has any question concerning the extent of the employee's partial permanent disability. During the first year following the effective date of such employee's transfer to a lesser paying job, the wage rate will be reduced by one-half (½) the difference between the classification rate formerly held by the employee and the rate of pay for the job to which such employee has been transferred. Beginning the second year following the effective date of the transfer, the employee will be paid the classification rate for the job which he or she is filling.

ARTICLE 13 WAGES

13.1 **Wages**. The Company agrees to pay the wage scale set out in the schedule attached hereto unless changed by mutual agreement of the parties. The Union agrees that it will accept the wage scale set out in said schedule and it shall be the duty of each and every employee affected by this Agreement to perform his task in a skilled and workmanlike manner in accordance with the agreements herein contained.

ARTICLE 14 TERMINATION OR MODIFICATION

14.1 **Termination or Modification**. This Agreement shall continue in full force and effect until December 31, 2017. This Agreement may be terminated or may be modified or amended without being terminated by either party giving notice thereof in writing to the other sixty (60) days prior to the termination date or any anniversary of the termination date of this Agreement. In the event either party desires to modify or amend this Agreement without terminating it, the notice shall set forth the particulars thereof and both parties shall immediately meet and confer for the purpose of negotiating on said proposals. Any portion of this contract may be changed at any time by mutual agreement between the parties hereto.

TO THE FAITHFUL COMPLIANCE of the above and foregoing, the parties hereto have caused this Agreement to be executed by their proper officers hereunto duly authorized as of the first day of January, 2015.

MIDWEST ENERGY, INC.

By: _____
Earnest A. Lehman, President

**COMMUNICATION WORKERS OF AMERICA,
AFL-CIO**

By: _____
Stan Simon

By: _____
Ross Carder

By: _____
Kip K. Tweedy

By: _____
Korey W. Brill, President, Local 7476

By: _____
Jay T. Boyle, CWA Representative

SCHEDULE OF DEPARTMENT CLASSIFICATIONS AND HOURLY WAGES

DEPARTMENT CLASSIFICATION	1/1/2014	3/15/2015	1/1/2016	1/1/2017
GAS MAINTENANCE:				
Gas Maintenance Foreman	30.44	31.66	32.77	33.75
Welder	29.32	30.49	31.56	32.51
Combination Journeyman	28.31	29.44	30.47	31.39
Journeyman Gas Maintenance	27.64	28.75	29.75	30.64
Apprentice Gas Maintenance, 3rd Year	23.36	24.29	25.14	25.90
Apprentice Gas Maintenance, 2nd Year	21.02	21.86	22.63	23.30
Apprentice Gas Maintenance, 1st Year	18.68	19.43	20.11	20.71
The following provisions apply:				
Foreman increase 4%.		X		
Foreman increase 3.5%.			X	
Foreman increase 3%.				X
Welder increase 4%.		X		
Welder increase 3.5%.			X	
Welder increase 3%.				X
Combination Jour. increase 4%.		X		
Combination Jour. increase 3.5%.			X	
Combination Jour. increase 3%.				X
Jour. Gas Maintenance increase 4%.		X		
Jour. Gas Maintenance increase 3.5%.			X	
Jour. Gas Maintenance increase 3%.				X
Remaining levels increase 4%.		X		
Remaining levels increase 3.5%.			X	
Remaining levels increase 3%.				X

DEPARTMENT CLASSIFICATION**1/1/2014 3/15/2015 1/1/2016 1/1/2017****GAS METER TECHNICIANS:**

Gas Meter Foreman	32.19	33.48	34.65	35.69
Journeyman Gas Meter Technician	29.69	30.88	31.96	32.92
Apprentice Gas Meter Technician, 3rd Year	23.72	24.67	25.53	26.30
Apprentice Gas Meter Technician, 2nd Year	21.38	22.24	23.01	23.70
Apprentice Gas Meter Technician, 1st Year	19.04	19.80	20.49	21.11

The following provisions apply:

Foreman increase 4%.		X		
Foreman increase 3.5%.			X	
Foreman increase 3%.				X
Journeyman increase 4%.		X		
Journeyman increase 3.5%.			X	
Journeyman increase 3%.				X
Remaining levels increase 4%.		X		
Remaining levels increase 3.5%.			X	
Remaining levels increase 3%.				X

METER READER & GENERAL HELPER:

Meter Reader & General Helper, Over 1 Year	18.72	19.47	20.15	20.75
Meter Reader & General Helper, 2nd 6 Months	16.45	17.11	17.71	18.24
Meter Reader & General Helper, 1st 6 Months	14.89	15.49	16.03	16.51

The following provisions apply:

Meter Reader & Gen Help, Over 1 Year increase 4%.		X		
Meter Reader & Gen Help, Over 1 Year increase 3.5%.			X	
Meter Reader & Gen Help, Over 1 Year increase 3%.				X
Remaining levels increase 4%.		X		
Remaining levels increase 3.5%.			X	
Remaining levels increase 3%.				X

BONUS PROGRAM

In addition to the pay scales set out in the Schedule of Department Classifications and Hourly Wages, employees may receive a bonus, as described below, based on the Company's financial performance during each calendar year:

A. Eligible employees are those who during the payroll year have received 2,080 hours of regular pay. (Regular pay includes vacation pay, sick leave pay and holiday pay, but not overtime pay.) There are two exceptions to the 2,080 hours requirement: (1) a general exception not to exceed eight (8) hours; and (2) eighty (80) hours for time spent in Union meetings providing that the Human Relations Department and the Supervisor have been notified in advance that the employee will be absent for such purpose. In addition to these exceptions, a vice-president may take one hundred sixty (160) hours for time spent in connection with his office.

B. New hires will not be eligible for any bonus until he/she has completed six (6) full months of the probationary period. Any bonus to be paid will then be prorated based on the number of full months remaining in the calendar year.

C. The bonus to be paid will be based on the financial performance of the Company as defined by the "Times-Interest-Earned-Ratio" (TIER) which will be determined for each calendar year during the Company's annual audit.

D. Any bonus that is due will be paid following the annual audit but not later than May 1st of the succeeding calendar year.

E. Bonuses will be paid in an equal amount to each eligible employee based on the following TIER levels:

<u>TIER</u> (calculated each year before bonus payment)	<u>BONUS</u>
1.9	\$280.00
2.0	350.00
2.1	420.00
2.2	490.00
2.3	560.00
2.4	630.00
2.5	700.00

Eligible employees will be paid the bonus indicated by the highest TIER level achieved each calendar year. No bonus will be paid if the Company's financial performance fails to reach a TIER level of 1.9. The maximum bonus will be \$700.00 even if the Company's financial performance exceeds TIER 2.5. The bonus payments at each TIER level are not cumulative.

On January 1, 2005, the bonus program was deleted and the hourly rate increased twenty cents (20¢).