

June 6, 2012

**VIA HAND DELIVERY & ELECTRONIC MAIL**

Luly E. Massaro, Commission Clerk  
Rhode Island Public Utilities Commission  
89 Jefferson Boulevard  
Warwick, RI 02888

**RE: Docket 4323 - Application for Approval of a Change in Electric and Gas  
Base Distribution Rates Pursuant to R.I.G.L. Sections 39-3-10 and 39-3-11  
Responses to Commission Data Requests - Set 1 - ELEC/GAS**

Dear Ms. Massaro:

Enclosed is an original and ten (10) copies of National Grid's<sup>1</sup> responses to the Commission's First Set of Data Requests in the above-captioned proceeding.

The responses to the First Set included with this filing are listed in the enclosed discovery log.

Thank you for your attention to this transmittal. If you have any questions, please feel free to contact me at (401) 784-7667.

Very truly yours,



Thomas R. Teehan

Enclosures

cc: Docket 4323 Service List  
Leo Wold, Esq.  
Steve Scialabba, Division

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<sup>1</sup> The Narragansett Electric Company d/b/a National Grid (herein referred to as "National Grid" or the "Company").

## **Certificate of Service**

I hereby certify that a copy of the cover letter and/or any materials accompanying this certificate were electronically submitted, hand delivered and mailed to the individuals listed below.

/S/  
Janea Dunne

June 6, 2012  
Date

**National Grid (NGrid) – Request for Change in Electric & Gas Distribution Rates**  
**Docket No. 4323 – Service List updated on 5/24/12**

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<b>File original &amp; 11 copies w/:</b> Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	<a href="mailto:Lmassaro@puc.state.ri.us">Lmassaro@puc.state.ri.us</a>	401-780-2107
	<a href="mailto:Anault@puc.state.ri.us">Anault@puc.state.ri.us</a>	
	<a href="mailto:Adalessandro@puc.state.ri.us">Adalessandro@puc.state.ri.us</a>	
	<a href="mailto:Nucci@puc.state.ri.us">Nucci@puc.state.ri.us</a>	
	<a href="mailto:Dshah@puc.state.ri.us">Dshah@puc.state.ri.us</a>	
	<a href="mailto:Sccamara@puc.state.ri.us">Sccamara@puc.state.ri.us</a>	

DATA SET	DATA REQUEST	DATE ISSUED	DATE FILED	WITNESS	ATTACHMENT	CONFIDENTIAL ATTACHMENT
<b>DIVISION SET 1</b>						
Division Set 1	Division 1-1-ELEC	05/09/2012	<b>05/25/2012</b>	Michael D. Laflamme	Att. DIV 1-1-ELEC	
Division Set 1	Division 1-2-ELEC	05/09/2012	<b>05/25/2012</b>	Michael D. Laflamme	Att. DIV 1-2-ELEC	
Division Set 1	Division 1-3-ELEC	05/09/2012	<b>05/25/2012</b>	Michael D. Laflamme	Att. DIV 1-3-ELEC	
Division Set 1	Division 1-4-ELEC	05/09/2012	<b>05/25/2012</b>	Michael D. Laflamme	Att. DIV 1-4-ELEC	
Division Set 1	Division 1-5-ELEC	05/09/2012	<b>05/25/2012</b>	Michael D. Laflamme		
Division Set 1	Division 1-6-ELEC	05/09/2012	<b>05/23/2012</b>	Michael D. Laflamme	Att. DIV 1-6-ELEC	
Division Set 1	Division 1-7-ELEC	05/09/2012	<b>05/23/2012</b>	Michael D. Laflamme		
Division Set 1	Division 1-8-ELEC	05/09/2012	<b>05/25/2012</b>	Michael D. Laflamme	Att. DIV 1-8-ELEC	
Division Set 1	Division 1-9-ELEC	05/09/2012	<b>05/23/2012</b>	Michael D. Laflamme	Att. DIV 1-9-ELEC	
Division Set 1	Division 1-10-ELEC	05/09/2012	<b>05/25/2012</b>	Michael D. Laflamme		
Division Set 1	Division 1-11-ELEC	05/09/2012	<b>05/23/2012</b>	Michael D. Laflamme	Att. DIV 1-11-ELEC	
Division Set 1	Division 1-12-ELEC	05/09/2012	<b>05/23/2012</b>	Michael D. Laflamme		
Division Set 1	Division 1-13-ELEC	05/09/2012	<b>05/23/2012</b>	Michael D. Laflamme	Att. DIV 1-13-ELEC	
Division Set 1	Division 1-14-ELEC	05/09/2012	<b>05/23/2012</b>	Michael D. Laflamme		
Division Set 1	Division 1-15-ELEC	05/09/2012	<b>05/23/2012</b>	Michael D. Laflamme		
Division Set 1	Division 1-16-ELEC	05/09/2012	<b>05/23/2012</b>	Michael D. Laflamme		
Division Set 1	Division 1-17-ELEC	05/09/2012	<b>05/23/2012</b>	Michael D. Laflamme		
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Division Set 1	Division 1-20-ELEC	05/09/2012	<b>05/25/2012</b>	Michael D. Laflamme		
Division Set 1	Division 1-21-ELEC	05/09/2012	<b>05/23/2012</b>	Michael D. Laflamme	Att. DIV 1-21-ELEC	
Division Set 1	Division 1-22-ELEC	05/09/2012	<b>05/23/2012</b>	Michael D. Laflamme		
Division Set 1	Division 1-23-ELEC	05/09/2012	<b>05/23/2012</b>	Michael D. Laflamme	Att. DIV 1-23-ELEC	
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Division Set 1	Division 1-25-ELEC	05/09/2012	<b>05/23/2012</b>	Michael D. Laflamme		
Division Set 1	Division 1-26-ELEC	05/09/2012	<b>05/23/2012</b>	Michael D. Laflamme		
Division Set 1	Division 1-27-ELEC	05/09/2012	<b>05/23/2012</b>	Michael D. Laflamme	Att. DIV 1-27-ELEC	
Division Set 1	Division 1-28-ELEC	05/09/2012	<b>05/23/2012</b>	Michael D. Laflamme		

DATA SET	DATA REQUEST	DATE ISSUED	DATE FILED	WITNESS	ATTACHMENT	CONFIDENTIAL ATTACHMENT
Division Set 1	Division 1-29-ELEC	05/09/2012	05/23/2012	Michael D. Laflamme	Att. DIV 1-29-ELEC	
Division Set 1	Division 1-30-ELEC	05/09/2012	05/23/2012	Michael D. Laflamme		
Division Set 1	Division 1-31-ELEC	05/09/2012	05/23/2012	Michael D. Laflamme		
<b>DIVISION SET 2</b>						
Division Set 2	Division 2-1-GAS	05/14/2012	05/25/2012	Michael D. Laflamme	Att. DIV 2-1-GAS	
Division Set 2	Division 2-2-GAS	05/14/2012	05/25/2012	Michael D. Laflamme	Att. DIV 2-2-GAS	
Division Set 2	Division 2-3-GAS	05/14/2012	05/25/2012	Michael D. Laflamme		
Division Set 2	Division 2-4-GAS	05/14/2012	05/25/2012	Michael D. Laflamme	Att. DIV 2-4-GAS	
Division Set 2	Division 2-5-GAS	05/14/2012	05/25/2012	Michael D. Laflamme		
Division Set 2	Division 2-6-GAS	05/14/2012	05/25/2012	Michael D. Laflamme	Att. DIV 2-6-GAS	
Division Set 2	Division 2-7-GAS	05/14/2012	05/25/2012	Michael D. Laflamme	Att. DIV 2-7-GAS	
Division Set 2	Division 2-8-GAS	05/14/2012	05/25/2012	Michael D. Laflamme	Att. DIV 2-8-GAS	
Division Set 2	Division 2-9-GAS	05/14/2012	05/25/2012	Michael D. Laflamme	Att. DIV 2-9-GAS	
Division Set 2	Division 2-10-GAS	05/14/2012	05/29/2012	Michael D. Laflamme		
Division Set 2	Division 2-11-GAS	05/14/2012	05/29/2012	Michael D. Laflamme		
Division Set 2	Division 2-12-GAS	05/14/2012	05/25/2012	Michael D. Laflamme	Att. DIV 2-12-GAS	
Division Set 2	Division 2-13-GAS	05/14/2012	05/29/2012	Michael D. Laflamme		
Division Set 2	Division 2-14-GAS	05/14/2012	05/29/2012	Michael D. Laflamme		
Division Set 2	Division 2-15-GAS	05/14/2012	05/29/2012	Michael D. Laflamme		
Division Set 2	Division 2-16-GAS	05/14/2012	05/29/2012	Michael D. Laflamme	Att. DIV 2-16-1-GAS Att. DIV 2-16-2-GAS Att. DIV 2-16-3-GAS	
Division Set 2	Division 2-17-GAS	05/14/2012	05/29/2012	Michael D. Laflamme		
Division Set 2	Division 2-18-GAS	05/14/2012	05/29/2012	Michael D. Laflamme		
Division Set 2	Division 2-19-GAS	05/14/2012	05/29/2012	Michael D. Laflamme		
Division Set 2	Division 2-20-GAS	05/14/2012	05/29/2012	Michael D. Laflamme		
Division Set 2	Division 2-21-GAS	05/14/2012	05/29/2012	Michael D. Laflamme	Att. DIV 2-21-GAS	
Division Set 2	Division 2-22-GAS	05/14/2012	05/29/2012	Michael D. Laflamme	Att. DIV 2-22-GAS	
Division Set 2	Division 2-23-GAS	05/14/2012	05/29/2012	Michael D. Laflamme	Att. DIV 2-23-GAS	
Division Set 2	Division 2-24-GAS	05/14/2012	05/29/2012	Michael D. Laflamme		
Division Set 2	Division 2-25-GAS	05/14/2012	05/29/2012	Michael D. Laflamme		

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<b>DIVISION SET 3</b>						
Division Set 3	Division 3-1-ELEC/GAS	05/30/2012	<i>Pending</i>	Michael D. Laflamme		
Division Set 3	Division 3-2-ELEC/GAS	05/30/2012	<i>Pending</i>	Michael D. Laflamme		
Division Set 3	Division 3-3-ELEC/GAS	05/30/2012	<i>Pending</i>	Robert B. Hevert		
Division Set 3	Division 3-4-ELEC/GAS	05/30/2012	<i>Pending</i>	Robert B. Hevert		
Division Set 3	Division 3-5-ELEC/GAS	05/30/2012	<i>Pending</i>	Robert B. Hevert		
Division Set 3	Division 3-6-ELEC/GAS	05/30/2012	<i>Pending</i>	Michael D. Laflamme		
Division Set 3	Division 3-7-ELEC/GAS	05/30/2012	<i>Pending</i>	Michael D. Laflamme		
Division Set 3	Division 3-8-ELEC/GAS	05/30/2012	<i>Pending</i>	Michael D. Laflamme		
Division Set 3	Division 3-9-ELEC/GAS	05/30/2012	<i>Pending</i>	Michael D. Laflamme		
Division Set 3	Division 3-10-ELEC/GAS	05/30/2012	<i>Pending</i>	Michael D. Laflamme		
Division Set 3	Division 3-11-ELEC/GAS	05/30/2012	<i>Pending</i>	Michael D. Laflamme		
Division Set 3	Division 3-12-ELEC/GAS	05/30/2012	<i>Pending</i>	Michael D. Laflamme		
Division Set 3	Division 3-13-ELEC/GAS	05/30/2012	<i>Pending</i>	Michael D. Laflamme		
Division Set 3	Division 3-14-ELEC/GAS	05/30/2012	<i>Pending</i>	Michael D. Laflamme		
Division Set 3	Division 3-15-ELEC/GAS	05/30/2012	<i>Pending</i>	Michael D. Laflamme		
Division Set 3	Division 3-16-ELEC/GAS	05/30/2012	<i>Pending</i>	Michael D. Laflamme		
Division Set 3	Division 3-17-ELEC/GAS	05/30/2012	<i>Pending</i>	Michael D. Laflamme		
Division Set 3	Division 3-18-ELEC/GAS	05/30/2012	<i>Pending</i>	Robert B. Hevert		
Division Set 3	Division 3-19-ELEC	05/30/2012	<i>Pending</i>	Robert B. Hevert		
Division Set 3	Division 3-20-ELEC/GAS	05/30/2012	<i>Pending</i>	Robert B. Hevert		
Division Set 3	Division 3-21-ELEC/GAS	05/30/2012	<i>Pending</i>	Robert B. Hevert		
Division Set 3	Division 3-22-ELEC/GAS	05/30/2012	<i>Pending</i>	Robert B. Hevert		
Division Set 3	Division 3-23-ELEC/GAS	05/30/2012	<i>Pending</i>	Robert B. Hevert		
Division Set 3	Division 3-24-ELEC/GAS	05/30/2012	<i>Pending</i>	Robert B. Hevert		
Division Set 3	Division 3-25-ELEC/GAS	05/30/2012	<i>Pending</i>	Robert B. Hevert		
Division Set 3	Division 3-26-ELEC/GAS	05/30/2012	<i>Pending</i>	Robert B. Hevert		
Division Set 3	Division 3-27-ELEC/GAS	05/30/2012	<i>Pending</i>	Robert B. Hevert		

DATA SET	DATA REQUEST	DATE ISSUED	DATE FILED	WITNESS	ATTACHMENT	CONFIDENTIAL ATTACHMENT
<b>COMMISSION SET 1</b>						
Commission Set 1	Commission 1-1-ELEC/GAS	05/24/2012	<b>06/06/2012</b>	Michael D. Laflamme		
Commission Set 1	Commission 1-2-ELEC/GAS	05/24/2012	<i>Pending</i>			
Commission Set 1	Commission 1-3-ELEC/GAS	05/24/2012	<i>Pending</i>			
Commission Set 1	Commission 1-4-ELEC/GAS	05/24/2012	<i>Pending</i>			
Commission Set 1	Commission 1-5-ELEC/GAS	05/24/2012	<b>06/06/2012</b>	Maureen P. Heaphy		
Commission Set 1	Commission 1-6-ELEC	05/24/2012	<i>Pending</i>			
Commission Set 1	Commission 1-7-ELEC	05/24/2012	<i>Pending</i>			
Commission Set 1	Commission 1-8-ELEC	05/24/2012	<b>06/06/2012</b>	Stephen F. Doucette		
Commission Set 1	Commission 1-9-ELEC	05/24/2012	<i>Pending</i>			
Commission Set 1	Commission 1-10-ELEC	05/24/2012	<b>06/06/2012</b>	Stephen F. Doucette		
Commission Set 1	Commission 1-11-ELEC	05/24/2012	<b>06/06/2012</b>	Stephen F. Doucette		
Commission Set 1	Commission 1-12-ELEC	05/24/2012	<b>06/06/2012</b>	Stephen F. Doucette		
Commission Set 1	Commission 1-13-ELEC/GAS	05/24/2012	<b>06/04/2012</b>	Evelyn M. Kaye		
Commission Set 1	Commission 1-14-ELEC/GAS	05/24/2012	<b>06/04/2012</b>	Evelyn M. Kaye		
Commission Set 1	Commission 1-15-ELEC/GAS	05/24/2012	<b>06/06/2012</b>	Evelyn M. Kaye		
Commission Set 1	Commission 1-16-ELEC/GAS	05/24/2012	<b>06/04/2012</b>	Evelyn M. Kaye and Michael D. Laflamme		
Commission Set 1	Commission 1-17-ELEC/GAS	05/24/2012	<b>06/04/2012</b>	Evelyn M. Kaye		
Commission Set 1	Commission 1-18-ELEC/GAS	05/24/2012	<b>06/04/2012</b>	Evelyn M. Kaye		
Commission Set 1	Commission 1-19-ELEC/GAS	05/24/2012	<b>06/04/2012</b>	Evelyn M. Kaye	Att. COMM 1-19-ELEC/GAS	
Commission Set 1	Commission 1-20-ELEC	05/24/2012	<b>06/06/2012</b>	Michael R. Hrycin	Att. COMM 1-20-1-ELEC Att. COMM 1-20-2-ELEC	
Commission Set 1	Commission 1-21-ELEC	05/24/2012	<b>06/06/2012</b>	Michael R. Hrycin	Att. COMM 1-21-ELEC	
Commission Set 1	Commission 1-22-ELEC	05/24/2012	<b>06/06/2012</b>	Michael R. Hrycin	Att. COMM 1-22-ELEC	
Commission Set 1	Commission 1-23-ELEC	05/24/2012	<i>Pending</i>			
Commission Set 1	Commission 1-24-ELEC	05/24/2012	<i>Pending</i>			
Commission Set 1	Commission 1-25-ELEC	05/24/2012	<b>06/06/2012</b>	Michael R. Hrycin		
Commission Set 1	Commission 1-26-ELEC	05/24/2012	<b>06/06/2012</b>	Michael R. Hrycin		
Commission Set 1	Commission 1-27-GAS	05/24/2012	<b>06/06/2012</b>	Jeffrey P. Martin		
Commission Set 1	Commission 1-28-GAS	05/24/2012	<b>06/06/2012</b>	Jeffrey P. Martin		
Commission Set 1	Commission 1-29-ELEC	05/24/2012	<b>06/04/2012</b>	Alfred P. Morrissey		

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<b>COMMISSION SET 1</b>						
Commission Set 1	Commission 1-30-ELEC	05/24/2012	<b>06/04/2012</b>	Alfred P. Morrissey		
Commission Set 1	Commission 1-31-ELEC	05/24/2012	<b>06/04/2012</b>	Alfred P. Morrissey		
Commission Set 1	Commission 1-32-ELEC	05/24/2012	<b>06/04/2012</b>	Alfred P. Morrissey		
Commission Set 1	Commission 1-33-ELEC	05/24/2012	<i>Pending</i>			
Commission Set 1	Commission 1-34-ELEC	05/24/2012	<i>Pending</i>			
Commission Set 1	Commission 1-35-ELEC/GAS	05/24/2012	<b>06/06/2012</b>	Michael D. Laflamme		
Commission Set 1	Commission 1-36-ELEC/GAS	05/24/2012	<i>Pending</i>			
Commission Set 1	Commission 1-37-GAS	05/24/2012	<i>Pending</i>			
Commission Set 1	Commission 1-38-ELEC	05/24/2012	<b>06/06/2012</b>	Michael D. Laflamme		
Commission Set 1	Commission 1-39-ELEC/GAS	05/24/2012	<i>Pending</i>			
Commission Set 1	Commission 1-40-ELEC/GAS	05/24/2012	<i>Pending</i>			
Commission Set 1	Commission 1-41-ELEC/GAS	05/24/2012	<b>06/06/2012</b>	Robert B. Hevert		
Commission Set 1	Commission 1-42-ELEC/GAS	05/24/2012	<b>06/06/2012</b>	Michael D. Laflamme		
Commission Set 1	Commission 1-43-ELEC/GAS	05/24/2012	<b>06/06/2012</b>	Michael D. Laflamme		
Commission Set 1	Commission 1-44-ELEC/GAS	05/24/2012	<i>Pending</i>			
Commission Set 1	Commission 1-45-ELEC/GAS	05/24/2012	<b>06/06/2012</b>	Stephen F. Doucette		
Commission Set 1	Commission 1-46-GAS	05/24/2012	<i>Pending</i>			

Commission 1-1-ELEC/GAS

Request:

What is the basis for the \$172M estimate of cost savings as of March 2013 referred to on p.12 of Timothy Horan's Testimony, lines 1-2?

Response:

Please refer to Workpaper MDL-15. This Workpaper outlines the \$172 million in estimated savings anticipated from the recent U.S. Restructuring Program, which is discussed in the testimony of Company Witness Michael D. Laflamme beginning at page 58. This \$172 million estimate is comprised of \$69.3 million in aggregate non-labor savings, as shown at page 1 of the Workpaper, and \$102.4 million in aggregate labor savings, as shown at page 17 of the Workpaper. Please refer to Pages 2 - 6 of the Workpaper for a listing of individual productivity and efficiency initiatives, which derives the basis of the \$69.3 million in aggregate non-labor savings. All enduring role positions eliminated as a result of the U.S. Restructuring Program were completed by December 31, 2011. Because the Company has calculated Rate Year labor and associated benefits based on December 31, 2011 enduring employee complement and employee benefit elections, all labor and benefit savings associated with the U.S. Restructuring Program are embedded in the calculated Rate Year labor and benefits amounts.



Commission 1-5-ELEC/GAS

Request:

As of today's date, how many employees does the Company have (in both Narragansett Electric and Narragansett Gas)?

Response:

As of May 25, 2012, there are 399 employees in Narragansett Electric (33 non-union and 366 members of Local 310).

As of May 25, 2012, there are 316 employees in Narragansett Gas (21 non-union, 53 members of Local 310C, 6 members of Local 310, and 236 members of Local 12431).

Commission 1-8-ELEC

Request:

Stephen Doucette, p. 11, lines 15-18. How much longer will the Company have to record on its books the cost associated with the employees who are still entitled to the defined benefit plan?

Response:

National Grid is not able to determine how much longer these costs will continue to be recorded on the Company's books.

The Company is required to record the cost associated with expected future defined benefit plan payments for as long as there is a promise to pay future benefits to any participant in the pension plan. Assuming the Company does not settle their obligations in the future (e.g. purchase annuities), the promise to pay future pension benefits is expected to remain for many years until the plan winds down. For example, an active employee, age 25 today, may start receiving pension benefits in 40 years and continue receiving a monthly retirement benefit for another 20 years. Because newly hired union employees are still eligible for the defined benefit pension plan, it is impossible to determine how much longer these costs will continue to be recorded on the Company's books.

Commission 1-10-ELEC

Request:

Stephen Doucette, p. 12, lines 4-14. Mr. Doucette states on line 5 that as of July 14, 2002, the defined benefit plan was closed to new non-union employees. He states on line 14 that as of January 1, 2011, the defined benefit plan was closed to new non-union employees. On which date did the Company stop offering the defined benefit plan to new non-union hires?

Response:

For clarification, on page 12, line 5 of Mr. Doucette's testimony, he states that as of July 14, 2002, the **traditional** defined benefit plan was closed to new non-union hires. The traditional defined benefit plan was a final average pay plan. Thus, non-union employees hired prior to July 14, 2002 participated in a traditional defined benefit plan based on a final average pay formula.

Non-union employees hired after July 14, 2002 and before January 1, 2011 participated in a defined benefit plan based on a cash balance formula. A cash balance pension plan is considered a hybrid plan and is also a defined benefit plan with attributes of a defined contribution plan.

Non-union employees hired on and after January 1, 2011 participate in a defined contribution plan with core contributions from the Company. This plan does not have any attributes of a defined benefit pension plan.

Commission 1-11-ELEC

Request:

What is a consolidated pension plan referred to on Stephen Doucette, p. 26, line 8?

Response:

A consolidated pension plan refers to the qualified pension plan for which a Form 5500 is filed with the U.S. Internal Revenue Service. The specific National Grid consolidated pension plan referred to in Company Witness Doucette's testimony is the National Grid Final Average Pay Pension plan. Within this plan, pension benefits are offered to participants employed by various National Grid companies, such as the Company or National Grid USA Service Company, Inc. Under this plan, there are also different benefit structures offered to participants depending on the individual participant's hire date and eligibility. For example, some employees are eligible for a final average pay benefit, while others are eligible for a cash balance benefit.

A single plan with different companies and different benefit structures encompassed within it is referred to as a consolidated pension plan.

Commission 1-12-ELEC

Request:

The data on p. 31 of Stephen Doucette, entitled "10-Year History of Pension & Retiree Welfare Cost," reflects 6 years of data. Is data missing or is this a typo?

Response:

The reference to "10-Year" in the title is a typographical error. The chart should be entitled "Six-Year History of Pension & Retiree Welfare Cost."

Commission 1-15-ELEC/GAS

Request:

Please define the term “balanced billing” referred to on p. 24, line 5 of Evelyn Kaye’s Testimony.

Response:

Balanced billing or budget billing spreads the Company’s total electric charge evenly over a period of 12 months. It is calculated by dividing a customer’s actual total billings by 12. The result is billed in monthly installments.

Commission 1-20-ELEC

Request:

Please provide a copy of the union contract with Local 310 BUW Council/UWUA AFL-CIO ("Local 310") referred to on p. 2, line 18 of Michael Hrycin.

Response:

Please see Attachment COMM 1-20-1-ELEC, which is a copy of the contract referenced in the testimony, and Attachment COMM 1-20-2-ELEC, which is a copy of the contract extension referenced in the testimony.

**May 12, 2007 – May 11, 2011**

**AGREEMENT**

**As To**

**Wages, Working Conditions and Seniority**

**Between**

**Narragansett Electric Company  
National Grid USA Service Company  
d/b/a National Grid**

**And**

**Utility Workers Union of America, AFL-CIO**

**Local Unions No. 310**

**The Brotherhood of Utility Workers Council**



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

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AGREEMENT made and entered into by THE NARRAGANSETT ELECTRIC COMPANY, a Rhode Island corporation, and NATIONAL GRID USA SERVICE COMPANY, a Massachusetts corporation, d/b/a NATIONAL GRID, hereinafter called the "Company" and THE UTILITY WORKERS UNION OF AMERICA, AFL-CIO, BROTHERHOOD OF UTILITY WORKERS COUNCIL, LOCAL NO. 310 thereof, and the employees of the Company who are now or may hereafter become members of said Local, hereinafter called the "Brotherhood".

WITNESSETH THAT

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

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

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

NOW, THEREFORE:

As to wages to be paid by the Company, as to working conditions involved in the Company's operations, and as to the application of the principle of seniority to changes in the Company's forces, the parties hereto, each by its duly authorized representatives, agree as follows:

**ARTICLE I - RECOGNITION OF BROTHERHOOD**

A. Recognition

Except as hereinafter provided, the Brotherhood is hereby recognized as the exclusive representative of all the employees in the departments of the Company described for the purposes of collective bargaining with respect to wages, hours of employment and other conditions of employment.

B. Neutrality

Section 1. The Company agrees to remain neutral in union organizing campaigns conducted among workers in wholly-owned, regulated companies and GRIDCOMM and/or NEESCOM, as long as GRIDCOMM and/or NEESCOM remains a wholly-owned National Grid USA subsidiary or affiliate.

Section 2. Neutrality means that the Company shall neither help nor hinder the Union in any organizing campaign, nor shall it comment upon the Union's motives, integrity, character or

performance during any organizing campaign. Also, neither National Grid USA or its subsidiaries or affiliates, nor any of their successors or assigns shall provide any support or assistance of any kind to any person or group opposed to union organization.

Section 3.      Reservation Of Rights

National Grid USA, or its subsidiaries or affiliates, commitment to remain neutral shall cease if the Union or its agents, intentionally and repeatedly misrepresents to employees the facts and circumstances surrounding their employment or conducts a campaign which comments upon the motives, integrity or character of the Company or its representatives. National Grid USA, or its subsidiaries or affiliates, reserves the right to respond to employees' inquiries relating to the issue of Union organization and to engage in normal communications with employees concerning their employment.

Section 4.      Access

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

C.      Voluntary Recognition

Section 1.      The Company agrees to recognize a union upon receipt of proof of support of no less than 65% of those eligible for inclusion in the bargaining unit as verified by an independent third party.

Section 2.      In the event a third party verifies that 65% of eligible employees in an agreed-upon unit have signed authorization cards, the Company agrees to recognize such employees without a National Labor Relations Board-conducted election, provided all of the following criteria have been met:

- a.      The Company and the Union have mutually agreed upon the nature and content of the card employees will sign;
- b.      The Company, its subsidiaries, and affiliates and the Union have mutually agreed that the bargaining unit in which the Union seeks recognition is an appropriate bargaining unit;
- c.      The Company, its subsidiaries, and affiliates and the Union have mutually agreed upon the number and identity of the employees eligible for representation in such a unit;
- d.      The Union submits to a mutually-selected third party signed authorization cards from at least 65% of the employees in the agreed-upon bargaining unit, all of which expressly state that by signing the card the employee designates the Union as his/her exclusive bargaining representative, and further state that they understand that if 65% or more of the eligible employees in the unit also sign such cards, the Company, its subsidiaries, and affiliates will recognize the Union without an NLRB-supervised election; and

- e. The Union's majority status in the agreed-upon bargaining unit is confirmed by the mutually selected third party.

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

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

D. Exemptions

The following shall be excluded from the application of the rule of this agreement:

- a. Executives and officials.
- b. Supervisory forces, including foremen who recommend the disciplining or dismissal of employees under their supervision but not including working foremen.
- c. All personal office forces of the President, Vice Presidents, Secretary, Treasurer, Manager, Asst. Secretaries, Asst. Treasurers, Auditors, Legal Department, Purchasing Department, General Superintendent, Superintendents and such other office workers who perform duties of a confidential nature.

## **ARTICLE II - BROTHERHOOD MEMBERSHIP REQUIREMENTS**

Section 1. The Company agrees that it shall require as a condition of employment that all present employees and all new employees hereafter employed by the Company in any class of work to which this agreement applies shall become members of the Brotherhood after the thirtieth day following the beginning of their employment and shall continue as members thereafter while this agreement is in effect.

Section 2. The Company and the Brotherhood mutually agree that the foregoing provisions shall in no way affect other terms and conditions of employment applicable to probationary employees.

Section 3. Any employee exempted from the provisions of this agreement who is transferred while this agreement is in effect to a class of work which is subject to the Brotherhood membership requirement, shall become a member of the Brotherhood within thirty days after the effective date of such transfer.

Section 4. In no event will any employees be required as a condition of employment to become a member of the Brotherhood until after the thirtieth day following the beginning of his employment or the effective date of this agreement, whichever is the later.

Section 5. The provisions of this Article shall not apply to anyone exempted from the provisions of this agreement nor to training students who may be assigned from time to time to any of the departments of the Company.

Section 6. Any employee of the Company who at any time while this agreement is in effect has been performing a class of work which is subject to the Brotherhood membership requirement of this agreement, but who is subsequently transferred or promoted to a class of work which is not subject to the Brotherhood membership requirement of this agreement, shall have the privilege of withdrawing from Brotherhood membership, and the Brotherhood agrees that such withdrawal shall not prevent any such employee from renewing Brotherhood membership in the event that thereafter the employee is assigned to a class of work in which Brotherhood membership is required hereunder as a condition of employment.

Section 7. The Company agrees to deduct such dues, initiation and other fees from earned wages and remit to the Local the dues of those employees who are members of the Union and not exempt from the provisions of this agreement in an amount individually authorized and in a manner and on a written assignment approved by the Company.

### **ARTICLE III - MANAGEMENT RIGHTS**

Section 1. The Union and the Local recognize the right and power of the Company to select and hire all employees; to promote employees; to determine the necessity for filling a vacancy; to suspend, discipline, demote, or discharge employees; to assign, supervise, or direct all working forces and to maintain discipline and efficiency among them; to lay off employees when required because of lack of work or curtailment of work; and generally to control and supervise the Company's operations and to exercise the other customary functions of Management in carrying on its business without hindrance or interference by the Union, the Local or by employees. If the Local claims that the Company has exercised the right to suspend, discipline, demote or discharge employees in an unjust or unreasonable manner, such claim shall be subject to the Settlement of Disputes under Article XVI. If the Local claims that the Company has exercised any of the other foregoing rights in a capricious or arbitrary manner, such claims shall be subject to the Settlement of Disputes under Article XVI.

Section 2. The Company, the Union, and the Local recognize the responsibility of the employees to comply with reasonable rules, regulations, and practices prescribed by the Company.

Section 3. Mutually agreed upon working conditions now existing, established past practices, or any working conditions will not be changed during the term of this contract. In order for the Company or the Union to show that a claimed past practice is binding, it must establish the following:

- a. The past practice has been consistently followed by the parties for a reasonable time period, and
- b. The past practice is a result of a formal or informal agreement between the Union and the Company over any working condition.



## **ARTICLE IV - SENIORITY**

**Section 1.** The Company and the Brotherhood mutually agree that for the purposes of this agreement, the term, "permanent employee" shall include any employee who has been employed by the Company continuously for a period of six months in one or more of the departments of the Company named, and the term "probationary employee" shall include any employee who has not been employed by the Company continuously for a period of six months in one or more of such departments.

**Section 2.** All references herein to seniority, rosters, posting of vacancies, awards, promotions and furloughs, apply as in the past, only to departments and classifications designated by the schedule hereto attached, marked Schedule of Wages.

**Section 3.** It is agreed that when an employee is promoted to a position in which he is not subject to the rules of the agreement, his seniority status as an employee of the Company shall be reestablished if he subsequently reverts to a classification in which he would be subject to the rules of the agreement within 30 days; i.e., his seniority in the class to which he reverts is the seniority he would have rated had he never left the class.

**Section 4.** Seniority shall begin when an employee was or shall be first hired by the Company, except that where an employee has been dismissed and rehired or has voluntarily left the employ of the Company and has been rehired, seniority shall begin when such employee was last hired. The seniority rating of employees shall be as follows:

**Section 5.** Any present employee of the Company who was in the employ of the Company when seniority was first adopted shall receive credit (in the class of work in which he or she was then employed) for all prior employment with the Company or with other companies then affiliated with National Grid USA. Such an employee shall receive additional credit for employment, after the date when seniority was first adopted, in each class of work in which he or she has been or is hereafter regularly assigned. Employees transferred after the date when seniority was first adopted from other companies affiliated with National Grid USA shall not receive seniority credit for their prior employment with such affiliated companies, except by mutual agreement between the Brotherhood and the Company.

**Section 6.** Any present employee of the Company who was hired subsequent to the date when seniority was first adopted shall receive credit beginning with his or her last hiring date and continuing during the term hereof in each class of work in which he or she has been or is hereafter regularly assigned.

**Section 7.** The foregoing provisions of this Section shall not apply to new employees until they have been continuously employed for a period of six months, but thereafter these provisions shall apply to such new employees.

**Section 8.** New employees shall be deemed to be on trial for a period of six months from the date of hiring, and, within such period, the Company shall have the right to discharge any new employee whenever, in the opinion of the Company, he has not qualified for the work for which he was hired or for other work to which he may be assigned.

**Section 9.** The Company shall have the right in its discretion to employ temporary forces for emergencies, vacation relief, or in other unusual situations, and seniority shall not apply to employees in

such forces. Employees shall be deemed temporary if the period of their continuous employment following any firing is shorter than six months. The Company will minimize the practice of "rolling-over" temporary employees. Temporary employees, who become permanent in the same job at the same location where they served their temporary assignment, will have the temporary service time credited to their probationary period.

Section 10. The Company may employ training students in any class, the total number of training students so employed not to exceed three percent of the number of employees of the Company, and the Company in its discretion and without regard to seniority may assign the work of training students in any class or may transfer them from class to class, but, in the event that training students are assigned to positions permanently, such assignments shall be subject to the seniority rights of regular employees affected thereby.

Section 11. Seniority charts prepared by the Company shall indicate the classification of service for which employees may be hired and also all seniority movement between classes.

Section 12. Any member of the Brotherhood who is aggrieved by any change in seniority rating may, within thirty days after such change is posted, and not thereafter, request the Company to correct such posting, and, upon adequate proof of error, the rating shall be corrected in accordance with the facts.

Section 13. If there is seniority movement between the classes involved, when a vacancy occurs in any class, the employee senior in the next lower class shall be entitled to promotion to the vacancy, if his fitness and ability qualify him for the position, and when forces are reduced, the last man in the class affected shall be furloughed first and so on up through the class, employees so furloughed having the right to displace juniors in a lower class if qualified by fitness and ability.

Section 14. An employee accepting promotion or transfer to a new class after the date when seniority was first adopted shall have seniority in the new class beginning with the date of such acceptance and he will retain unimpaired his seniority in the former class without the right, however, to displace juniors in the former class as long as he may have employment in the new class in any position for which he is qualified by fitness and ability.

Section 15. If there is no seniority movement between the classes involved and forces are reduced in a class, an employee who was transferred to such a class from another class shall return to his former class without loss of seniority rating in that class, if then qualified by fitness and ability to perform the work in his former class.

Section 16. Except in beginners' classes of work, when new positions are created because of an increase in forces or when there is a vacancy in a position already established, for which there is no applicant, or no applicant who is qualified by fitness and ability, the Company shall post the position for the second time, indicating on the notice of the vacancy that it will consider applications from employees in any roster or from employees who are not rostered and then, if there is no applicant, or no applicant who is qualified by fitness and ability to perform the duties in the vacant position, the Company shall have the right to hire a new employee to fill such a position.

Section 17. The seniority status of an employee transferred to such a new position or vacancy, in accordance with the preceding paragraph, shall begin on the date of his assignment to the new class and he

will retain unimpaired his seniority in the former class without the right, however, to displace juniors in the former class as long as he may have employment in the new class in any position for which he is qualified by fitness and ability.

Section 18. The Company agrees to grant to permanent employees of the Company such reasonable leaves of absence, without pay, for transacting official Union business of the Brotherhood in such numbers and for such length of time as the Company shall determine. Any such employee who returns to the employ of the Company at the expiration of their leave of absence will be credited with the seniority that such employee would have had if they had remained in active service with the Company during the leave of absence and shall be assigned to the classification in their roster to which such seniority entitles them, provided such employee is then qualified by fitness and ability to perform the work of such classification.

Section 19. The Company will produce and distribute seniority rosters which will be printed and posted every six months.

## **ARTICLE V - FILLING OF VACANCIES**

### **A. Filling Vacancies**

Section 1. Notice of a vacancy in an existing position or in a newly created position within each class shall be posted at places accessible to employees affected and shall remain posted for a period of seven days, within which time applicants eligible and desiring to fill such vacancy shall apply in writing to the official of the Company to be designated in the notice. Such notice shall also set forth the title of the position to be filled, hours of work, days of relief, rate of pay and outline of duties. Within one week after expiration of the posting period, the Company shall assign the accepted applicant to such vacancy or newly created position. When such vacancies occur in positions that are to be filled, the Company will follow a general policy of posting notices within one week. Qualification includes successful completion of applicable selection testing as described below:

DEPARTMENT	TESTING REQUIRED
Overhead Lines	EEI CAST
Underground	EEI CAST
Substation O&M	EEI CAST
Fleet	EEI CAST & home grown tests for entrance and progression
Metering Services Roster 7	EEI CAST
Metering Services Representative Roster 26	EEI Clerical Aptitude Battery
Metering Services Roster 26	EEI Meter Readers Battery
Stores	EEI Clerical Aptitude Battery
Distribution Design	EEI TECH
Operations Clerk	EEI Clerical Aptitude Battery
Building Maintenance	EEI CAST
Telecommunications Technician	Prerequisite Associates Degree

Section 2. With the exception of the Distribution Design Department, current employees who have passed the Bennett Mechanical will be deemed to have passed CAST or TECH.

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

Section 4. The Company agrees to offer the CAST and TECH tests twice a year without the requirement of having postings on the board.

Section 5. Minimum qualifications for a roster bid include a “Goal Achieved” rating on the employee’s most recent performance appraisal.

Section 6 The Company will make an initial courtesy posting among all bargaining unit employees. Positions will be awarded to the most senior highest rated qualified candidate. Seniority will be based on Company time. The Company will determine applicant’s fitness and ability in accordance with the following:

- EEI or other specified testing
- All qualifications listed on the posting
- “Fully Meets” or better on the most recent performance appraisal
- No active formal PD step
- No active Pay-For-Time-Worked steps, second interview and above

If there are no qualified bargaining unit employees for a posted position, the Company may post and fill the job in accordance with the existing courtesy posting policy.

Section 7. Any employee assigned to a new position shall have thirty days in which to qualify. If he is unable to qualify, he may return to the class from which he came without loss of seniority rating therein, but he shall not have the right to attempt to qualify for the same position for ninety days thereafter. If, in the opinion of the Company he is competent, he shall not return to the class from which he came until a vacancy occurs in that class.

Section 8. When a new classification is established or other than a minor change is made in the job content of an existing classification, the move will be subject to the collective bargaining procedure.

Section 9. In reducing and increasing forces, in making promotions and in making appointments to fill vacancies occurring in any class with employees in the same class in which the vacancies occur or from other classes, all as provided in the foregoing sections, the Company shall determine the fitness and ability of all applicants for new or different positions. In determining fitness and ability of an applicant from another roster, the desire and ability of such applicant to advance to higher classifications in the roster to which the bid is made will be contributing factors. This provision is subject to Article XV, Discipline and Discharge and Settlement of Disputes, of the contract.

B. Progression

Section 1. The progression timetables and requirements for various departments and classifications are contained in reorganization agreements and Attachment R of the Memorandum of Understanding dated May 12, 2003, and Item 18 of the Memorandum of Understanding dated May 12, 2007, which is hereby incorporated by reference. Unless specified otherwise in those agreements, the type and context of examinations to be given will be jointly determined by the Union and the Company. They will also be jointly administered.

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

C. Helpers Progression

Section 1. A Helper, after 18 months' work in that class, will be promoted to third class in his roster subject to the following conditions, requirements and accomplishments:

- a. After 12 months as Helper, the employee's record in the Helper's Class will be reviewed, and he will be given an examination to determine that his progress and qualifications are satisfactory and that he has the desire and ability to warrant progression to third class. If the employee fails to qualify on such examination, he will be given another examination prior to the time of scheduled progression to third class.
- b. If the employee fails to qualify on the second examination, he will be reassigned to the position he held prior to his entry into the class.
- c. The type and context of examinations to be given as outlined in (a.) will be jointly determined by the Union and the Company. They will also be jointly administered.

D. Cross Rostering

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

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

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

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

Section 5. In the up to three-day assignment, the Company reserves the right to select the junior-qualified individual. This shall be the junior person in the roster which has non-priority work, unless he has previously been disqualified. When a person has been disqualified, the reasons for the disqualification will be discussed with the Union. At local option, a pre-canvass list may be provided or some other mutually agreed upon procedure will be utilized.

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

Section 7. Cross rostering for one day or less will not cause displacements or will not interfere with needed higher assignments. The Company will not cross-roster into and out of a progression group simultaneously.

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

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

Section 10. Cross-rostering of employees will not interfere with their previously approved vacation periods.

Section 11. Cross-rostering will not be used to change an employee's shift.

E. Roving

Section 1. Roving will be applicable to all T&D physical workers, Operations Technical Reps, Stores, Metering Services (Roster 7), and Fleet employees.

- a. Roving personnel and work assignments shall not be restricted by Union jurisdiction.
- b. Management will determine needs and schedules and advise Union business agents or local Union presidents when a decision is made but in no case less than seven (7) calendar days. The one exception to this may occur in the Stores Department when operating problems require shorter notification. In the case of shorter notification, the existing local practice will continue.
- c. Base work of district to be determined by Management and reviewed annually with the Union and will be updated quarterly if there is a change.
- d. Roving is optional for 50% of all first class and rated employees who are on the roster as of March 1, 1978.

- e. All roving assignments will be related to standard classification duties.
- f. All roving personnel may be co-mingled with local personnel on job assignments.
- g. Mandatory roving will be limited to 70 miles per Rand McNally Guide and Per Diem Schedule.
- h. Roving assignments will be rotated on a 6-8 week schedule if requested by Union. It is understood that under certain circumstances, junior qualified employees may be required to remain on a roving assignment longer than 8 weeks.
- i. Leap frogging will not be a standard practice; however, Management reserves the right to effectively respond to System needs caused by unscheduled priority work.
- j. Roving personnel will be from the nearest district if manpower and schedules are available/suitable.
- k. All roving personnel will work the scheduled hours of the district requesting the manpower. Management will attempt to accommodate alternate Union proposals wherever possible. Line crews will maintain the scheduled working hours as bargained with their respective Locals while roving. Changes in working hours of line crews when roving can be made by mutual agreement.
- l. Roving personnel assigned to another district, previous to or at the time of any emergency within the district, will not be considered an outside crew for application of the Emergency Storm Work Premium, unless assigned to emergency work for more than 24 hours.
- m. Roving personnel will be eligible for overtime as it relates to the assigned work or project. No matching overtime obligations apply in receiving area.
- n. Roving personnel will be eligible for emergency overtime at their normal base provided they have personal tools readily available.
- o. Incidental or short-term absenteeism of roving personnel may be filled, if necessary, from home base.

Per Diem Schedule\*:

0 to 9 miles	\$ 8.73
10 miles but less than 20	\$19.40
20 miles but less than 30	\$29.10
30 miles but less than 40	\$38.80
40 miles but less than 50	\$48.50
50 miles but less than 60	\$58.20
60 miles but less than 70	\$67.90
70+ (Optional)	

\*The rates shown above shall be adjusted at each change in the IRS mileage reimbursement rate.

p. Per diems are to be paid tax free.

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

Section 3. These satellites will be staffed via canvassing within the District. If unable to obtain the required staffing through a voluntary process, junior qualified employees will be assigned as necessary. Persons reporting to these satellites will not receive per diem payments.

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

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

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

#### F. Guaranteed Staffing And Use Of Contractors

Section 1. The Company agrees to attain staffing levels in the departments shown below, inclusive of employees in progression; no later than May 11, 2010. In reaching these levels, staffing shall be increased pro-rata from the prior agreement's specified staffing levels in each of the next 3 years, i.e. one third by May 11, 2008, two thirds by May 11, 2009 and the full amount shown below by May 11, 2010.

	<u>Bay State South</u>	<u>North and Granite</u>	<u>Bay State West</u>	<u>Ocean State</u>	<u>Total</u>
Overhead	168	71	122	168	529
Underground	12	30	31	39	112
Substation O&M	31	26	38	43	138

The numbers in the table above represent union staffing levels for the UWUA locals in electric distribution. Any claim that the Company has failed to comply with staffing levels in the table shall be resolved in accordance with Article XVI Settlement of Disputes.



Section 2. In the event staffing levels fall below the pro-rated staffing levels for each term of the agreement, the Company agrees to post positions sufficient to reach the applicable staffing level within thirty (30) days. Further the Company agrees to post all non-VERO retirements from these departments during the term of this agreement.

Section 3. The Company will meet twice per year with each local union president or their designee to provide an overview of the Overhead and Underground work plan for their area and the Company's plans to use outside contractor crews. For other than pole setting, when contractor crews are utilized for work in the overhead or underground departments, the Company will offer four hours of overtime per week to an equal number of crews (rated workers) in that respective department. Trouble Shooters and Emergency Workers may be utilized to fill this compliment providing it does not interfere with their regular schedule and the company does not incur additional expense. The offer of four hours of overtime per week will be applied every other Saturday, or other non-Sunday day of relief for shift workers, as an eight hour shift. In order to facilitate the planning of the work to be performed, by Friday of the week prior to the week in which the overtime will be worked, the union will provide the names of the employees who will be working. In cases where the union was unable to fill the full compliment, the Company's offer obligation is completed. In the assignment of this overtime work, the Company agrees to prioritize cut-out replacement. When overtime is cancelled due to inclement weather, it will be offered at a later date. The Company is committed to increasing its use of employees for pole sets in order to achieve and maintain proficiency in this area. The aforementioned language will also be applicable to the Substation O&M department when outside contractors are performing maintenance work at substations.

Section 4. No later than May 11, 2010, the Company shall cease the use of platform contractors, which are those system crews staged on or off Company property who are assigned work that is day to day customer oriented. Thereafter, the Company and the Union will work jointly to identify an appropriate percentage of work to be performed by contractors. Any claim that the Company has failed to comply with this understanding shall be resolved in accordance with Article XVI Settlement of Disputes.

Section 5. Subject to the limits described in this section, it is understood that the Company reserves all of its rights relative to the assignment of work and the allocation of the work plan between employees and contractors.

Section 6. When the Company determines that contractors will be used, all other factors being equal, the Company will use contractors whose employees are represented by the UWUA.

## **ARTICLE VI - REDUCTION IN FORCES**

### **A. Furloughs**

Section 1. If, because of a reduction in forces, an employee is demoted from a class of work to which he was assigned on the date when seniority first became effective, such employee shall be assigned to the head of the list in the class to which he is demoted, but an employee promoted after said date and subsequently demoted because of a reduction in forces shall revert to that place on the list in the lower class which he held before his promotion, provided, however, that when forces are reduced in the lowest class, necessitating the furloughing of employees, the employee in such class having the shortest total period of service with the Company shall be furloughed first and so on up through the class.

Section 2. Employees assigned to any class of work in one part of the territory served by the Company, if furloughed out of their class of work because of a reduction in forces, shall be reassigned by the Company to the same class of work in the same or some other part of the territory, if there is another such class, and, if there is not another such class, then to some other class, provided such furloughed employees are qualified by fitness and ability to perform the work in the new class. When so reassigned, such employees shall have the same seniority rating in the new class which they had in the class from which they were furloughed and they shall displace juniors in the new class.

Section 3. When forces are increased in any class, furloughed employees shall be given preference over applicants not previously employed by the Company, if they are qualified by fitness and ability to perform the work in the class of service affected.

Section 4. When employees are furloughed from several classes and a vacancy occurs in a particular class, furloughed employees from the class where the vacancy occurs shall have preference.

Section 5. Furloughed employees shall notify the Company in writing on or about the first day of each calendar month that they are available for re-employment, and if offered work by the Company for which they are qualified, they must accept it in writing and report for work within seven days; and furloughed employees failing so to notify the Company of their availability for a period of six months or to accept as aforesaid, work so offered shall forfeit all seniority rating.

Section 6. Furloughed employees who are not re-employed within two years from the date on which their furlough begins shall have no seniority rights thereafter, except by mutual agreement between the Brotherhood and the Company in each individual case.

Section 7. Employees, who do not have job protection and are in a roster from which a furlough will occur, may volunteer to take a severance in accordance with the appropriate severance pay plan as described in Article IX (F, Section 14.). A canvass, by seniority of the affected roster, will be conducted to identify volunteers.

B. Wage Reduction Plan

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

Section 2. However, no employee in the bargaining unit hired prior to May 12, 1997, will be laid off or reduced in pay. Such employees, when affected by a reduction in forces, may displace other employees of the Company pursuant to the Seniority Provisions. If reduced to a lower rated job classification, the employee is required to bid vacancies they are qualified to perform as they may occur in the former classification or in other higher rated jobs unless the Company and the Union mutually agree there are extenuating circumstances that justify waiver of this requirement. All assignments will be made in accordance with the Seniority Provision of the contract. Any employee required to bid on a job in accordance with this paragraph who is the successful bidder, may elect to decline the job and remain on the job to which the employee has been displaced, but at the time of this election, the employee's pay shall be reduced to the rate of pay of the job to which the employee has been displaced.

Section 3. In the event that the jobs of employees hired on or after May 12, 1997, are eliminated for any reason and the employees are subject to a reduction in forces or a layoff, the Union will be consulted and every attempt made to achieve the reduction by attrition. Such employees may displace other employees of the Company pursuant to the Seniority Provision. If no jobs are available within the Company, the Union and the Company will jointly review the situation and attempt to find a solution that will mitigate the layoffs or the effects of a layoff on affected employees. If no such solution is agreed upon, layoffs will occur in accordance with the Seniority Provision of the contract.

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

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

## **ARTICLE VII - HOURS AND DAYS OF WORK**

### **A. Hours and Days**

Section 1. Employees may be scheduled to work five consecutive eight-hour days or four consecutive ten-hour days, with consistent start and end times, Monday through Saturday. These schedules will be offered on a voluntary basis by classification to fill the need as determined by the Company. Off-shift schedules may be offered Monday through Saturday to no more than 30% of the rosters within the Division. Schedules will be posted in each local(s) within the Division. The Company will endeavor to equitably allocate the number of shift schedules among the local Unions within the Division. No one platform will have more than 35% of the rosters on off-shift schedules. Inventory Management (Stores) and Fleet Management (Garage) will determine their staffing complements separately. Shifts will be scheduled within the following time bands:

1 <sup>st</sup> Shift:	6:00 a.m. to 7:00 p.m.
2 <sup>nd</sup> Shift:	12:00 p.m. to 12:00 a.m. (shift differential applies)
3 <sup>rd</sup> Shift:	9:00 p.m. to 8:00 a.m. (shift differential applies)

With the exception of Trouble Shooters, scheduled shifts for Overhead employees will occur during daylight hours.

Section 2. Metering Services may post up to 40% of the roster during the non-moratorium period and 25% of the roster during the moratorium period. Temporary Meter Worker Associates hired for collections during the non-moratorium period will be included in the roster employee count for purposes of determining off-shift schedules.

With the exception of Trouble Shooters, scheduled shifts for Overhead employees will occur during daylight hours.

Section 3. On a permanent or seasonal basis, the Company may post revised schedules within the above time bands with 45 days notice. Schedules will be offered on a voluntary basis by classification to fill the need as determined by the Company. If there are not enough volunteers, the junior qualified individuals will be assigned. If a person assigned to an off-shift is unable by injury, illness or other limitations to work the off-shift schedule for a period of three weeks or more, then the Company shall provide the Union seven days notice to canvass for a replacement volunteer or the junior qualified will be assigned. In such cases, both the employee being back filled for and the employee back filling count toward the 30%. Under this agreement, off-shift employees assigned as Acting Supervisor are not eligible for back fill. The Worcester local agreement on back filling of the third shift will continue as agreed. Employees in progression as a result of job postings on or after 5/12/07 will not count in the determination of the 30% schedule limit until such time as they are rated.

Section 4. The Company may create temporary schedules for special projects of at least one week but less than four weeks in duration and with 14 days advance notice. These schedules will be offered on a voluntary basis by classification. If there are not enough volunteers, the junior qualified individuals will be assigned. Special projects may include Sundays as part of the work schedule. A premium of 50% of base hourly rate will be paid for all time worked on Sunday. If less than 14 days notice is provided, the Company will pay the first 8 hours of the first shift at time and one-half.

Section 5. Schedule changes may also be implemented on shorter notice by mutual agreement.

Section 6. Physical workers in the Overhead Lines, Underground, and Substation O&M will be paid a 20-minute lunch period, at the job site, between the end of the third hour and the beginning of the sixth hour of the shift for 12 months of the year.

Section 7. During regularly scheduled working hours, work assignments for all employees shall not be restricted by union boundaries.

B. Days of Relief

Section 1. Days of relief now established shall not be changed without good and sufficient cause. When new positions are created, days of relief shall also be established with such positions and shall not be changed thereafter without good and sufficient cause. It is agreed that just to circumvent the payment of overtime is not sufficient cause to change days of relief.

Section 2. Whenever employees are replaced in any class of work where continuous operation is necessary, the prevailing days of relief established with each assignment within such class shall not be changed without good and sufficient cause.

Section 3. In departments or groups where continuous operation is not necessary, every effort will be exerted by the Company to establish the days of relief in accordance with the desires of the employees.

Section 4. Employees will not be compelled to change their days of relief with other employees.

Section 5. If an employee is called in or assigned to switch on days of relief, he will be paid the minimum.

Section 6. If such employee is told to return later in the day to switch, he will be paid time and one-half for elapsed time.

Section 7. If, however, such employee is not required to return to switch but is free to go when he pleases after original switching without any obligation to remain available or return, there is no obligation to pay time and one-half for elapsed time in the event he is called in again to switch. In such a case, two minimums will be paid.

Section 8. The dispatcher or supervisor should make it as clear as possible whether the employee is:

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

Section 9. If such employees are available pursuant to the Off-Hour Coverage provision, the two minimums will apply as in the past.

C. Inclement Weather Policy

Section 1. During rainy and stormy weather and unusually cold weather (10 degrees), the Line and Underground Departments shall not be required to work outside except in cases of emergency. During unusually hot weather (90 degrees) the Line and Underground Departments shall not be required to work in situations requiring rubber sleeves, except in cases of emergencies. For other classifications affected by exposure to the elements (rain and snow but not extremes of temperature), supervisors will attempt wherever possible to rearrange work schedules or assignments to avoid unreasonable exposure to extremes of weather.

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

- a. Fog, mist and light precipitation are not considered to be rainy or stormy weather. It is not the Company's intent to compromise its rigid safety standards, nor is it the intent of the Company to require the employees to work for prolonged periods in light precipitation where the health of the employee is jeopardized.
- b. A central temperature device (U. S. Weather Bureau standards) shall be utilized for each district headquarters and other selected locations. Employees affected shall be notified when the temperature becomes extreme (10 degrees or 90 degrees F). A local shop steward or selected Union member may have access to the indicating thermometer or log.
- c. In all weather conditions, employees may be assigned work which is within their skills and abilities in protected locations. They will travel to and from the job site or location and load or unload vehicles. Work during hot weather (90 degrees) requiring the use of rubber sleeves will be done only in cases of emergencies.

d. The following types of work will be performed outside in other than rainy or stormy weather and extremes of temperature:

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

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

D. Letter Of Intent Re: Inclement Weather Policy

It is the intent of the Company in the application of Item C of the Inclement Weather policy that Overhead and Underground line crews shall not be required to drive to the job site to perform outside work when the outside temperature is below 10 degrees F unless the temperature will be above 10 degrees F at the time of arrival at the work site.

E. Procedure On Rest Periods

Section 1. Employees who are on a regular fixed shift and required to work overtime during the eight (8) hour period just prior to the employee's regularly scheduled work day will be entitled to an aggregate of eight hours rest, (inclusive of travel time and scheduled lunch period). If such rest time and travel time extend into the normal workday, no deduction in pay will be made for the hours overlapping the normal workday. This rest time may be taken at the latter part of the normal workday. However, if because of interruption to service or any other need to maintain an adequate work force, the rest time is not possible in the next normal workday compensating time off, equivalent to the rest time, will be given at a later mutually agreed upon date.

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

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

Section 4. In the administration of Rest Time, if it is required that an employee, in order to take his rest time on the same day on which it is earned, be expected to report for work for two hours or less of his regularly scheduled workday, he will be excused for the remainder of that scheduled workday. This does not apply to the application of deferred compensating rest time.

Section 5. In the administration of the Emergency Storm Work Premium (Article IX) wherein it states that the Rest Period Policy does not apply, it is intended that an employee who has worked continuously for 16 consecutive hours be given at least six hours rest and be paid at straight time rate for that rest time, but if it is not given, the employee will be entitled to compensating rest time at a later time for that part of the six hours rest time which was not given.

Section 6. No Shift Workers are included unless on a conventional fixed shift. If conventional fixed schedules are implemented for second and third shifts, rest time would apply to those as well.

Section 7. DOT reset rest time will be at the normal straight time rate of pay.

## **ARTICLE VIII - MEAL PERIOD**

Section 1. A meal period of not less than thirty minutes nor more than one hour shall be arranged for employees unless otherwise mutually agreed upon.

Section 2. The meal period shall be assigned between the end of the third hour after reporting for duty and the beginning of the sixth hour after reporting for duty.

Section 3. Where the nature of the service requires continuous operation, eight consecutive hours may be worked during which twenty minutes shall be allowed for lunch at reasonable and convenient times without interruption to service and without deduction in pay.

Section 4. When a regular meal period is established, it shall not be changed without good and sufficient cause.

Section 5. All T & D physical workers and Design Assistants and Technicians will be paid a fixed 20-minute lunch period between 12:00 noon and 12:20 p.m. at the job site for 12 months of the year.

Section 6. If an employee works hours that would occur during a meal period, they will be entitled to a paid meal period during the meal periods of 6:00 a.m. to 7:00 a.m., 12:00 p.m. to 1:00 p.m., 5:00 p.m. to 6:00 p.m. and 12:00 a.m. to 1:00 a.m. Paid meal periods will be provided every five hours thereafter for the duration of the emergency off hour work. However, employees engaged in emergency overtime work shall not work in excess of five hours unless granted a meal period without deduction in pay. If any meal period or meal periods are missed, one thirty-minute period of overtime will be added to actual hours worked.

Section 7. If, in the course of a normal workday, the employee works through the scheduled meal period, and he/she is unable to take the meal period prior to the end of the normal workday, he/she will be paid an additional one-half hour of overtime.

Section 8. For shift workers required to work extended days, the first meal period shall commence the same number of hours or fractions thereof after the end of their shift as is the case for day workers in the same department. For example, where the T&D department is on a 7:00 a.m. to 3:00 p.m. day schedule, the first meal period is two hours after the end of the shift. Therefore, Trouble Workers working on shift would be entitled to their first meal two hours after the end of their shift.

## **ARTICLE IX – COMPENSATION**

### **A. Pay**

Section 1. Effective on the dates indicated therein, wages shall be paid employees in each class of service in accordance with the Schedule of Wages, attached hereto and made a part hereof, showing classifications and the rated wage of each class subject to the conditions hereinafter contained.

Section 2. The following conditions shall control, limit, restrict and govern the application of said schedule:

- a. Upon the effective dates, each classification will receive the ultimate wage rate of the class except that the established increase will be applied: (1) to the Adjusted pay rate under the Disability Retrogression Pay Plan and the Wage Reduction Plan for employees hired before May 12, 1997, all other cases where the rate on the effective date is either above or below the ultimate wage rate, to the ultimate wage rate. If upon the effective dates of said schedule the rated wage of any class exceeds the present wage of any permanent employee other than a probationary employee in the class, the wage of such permanent employee in the class shall be increased to the ultimate wage rate of his class.
- b. When after the effective date of this Agreement, any permanent employee, other than a probationary employee, is promoted or transferred to any new or different position and the applicable rated wage of the class to which he is promoted or transferred exceeds the wage he is receiving when promoted or transferred, then the wage of such permanent employee shall be increased to the ultimate wage rate of the class to which he is promoted or transferred.
- c. It is intended that in no event shall the resulting wage exceed the rated wage of the applicable class established by the Schedule of Wages attached hereto and made a part hereof.
- d. New employees hired on a permanent basis during the term of this agreement will receive a wage that shall be not less than 75% of the ultimate rate for the class of work to which they are first assigned, promoted or transferred during their probationary period. After a period of six months of continuous employment and the completion of the probationary period, employees will then receive an increase in wages to the ultimate rate of their class.



- e. Although some employees are now receiving more than the rated wage in their classes and although it is not the present intention of the Company to reduce the wages of such employees unless they are demoted or transferred to new or different positions, nothing contained in this agreement shall obligate the Company to continue to pay such employees more than the rated wage in their class, except as set forth in the Wage Reduction Plan or the Disability Retrogression Pay Plan.
- f. The application of a rate of pay shall be based on the duties performed.
- g. When employees are temporarily assigned to higher classes of work for periods of three hours or more, they shall receive the higher wages for the full day. When such employees are required to work continuous hours beyond the end of their regular shift, they shall receive the higher assigned rate for those continuous hours. If assigned for periods of less than three hours, but more than one-half hour, they shall receive the higher wages for actual time worked. Temporary assignments will be accumulated daily and weekly for periods of less than three hours and paid at the higher rate for one-half hour or over.

B. Premiums

Section 1. Shift Differential

Employees assigned to classification requiring work on shifts shall receive, in addition to their regular rate, a premium of 7% of the employee's straight time hourly rate for the time worked on the second (evening) shift and on the third (night) shift. This applies to overtime only if the employee is filling a vacant shift; to call ins only if the employee is filling a vacant shift; it would apply to vacations; it would apply to holidays if a holiday fell on the employee's scheduled shift; and it would not apply to sick time.

Section 2. Sunday Premium

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

Section 3. Premium Wage for High Structures

A premium of \$2.00 per hour or \$16.00 per day will be paid for the day to an employee who climbs at least once to a height of 85 feet or over. This will apply to overtime, if the employee is so assigned; to call-ins, if the employee is so assigned; it will not apply to vacations; it is not applicable to holidays, and it does not apply to sick time.

Section 4. Acting Supervisor Premium

A premium of \$2.50 per hour will be paid. The determination of the individuals to take this voluntary assignment shall be by mutual agreement of the Company and the Union. This premium will apply to overtime, when assigned. This premium will apply to holidays if the upgrade would have occurred

but it will not apply to sick time. On a voluntary basis, rated employees with proper training may be assigned to direct outside crews during a major restoration period. The individuals so assigned will be done so by mutual agreement and will be paid the Acting Supervisor premium. This premium will apply to overtime, to holidays if the upgrade would have occurred, but it will not apply to sick time.

#### Section 5. Training Premium

A premium of \$2.50 per hour will be paid to Crew Leaders who are responsible for the direction of training crews. In addition, the 1/C worker will receive an upgrade to Crew Leader when so assigned. A training crew is defined as three or more OHL apprentices or 3/C lineworkers. The determination of the individuals to take this assignment shall be by mutual agreement of the Company and the Union. This premium will apply to overtime, to holidays if the upgrade would have occurred, but it will not apply to sick time.

#### Section 6. Second Day Of Relief Premium

- a. An employee who works on his second day of relief will receive one-half the base hourly rate added for each time and one-half overtime hour worked, providing the employee has also worked on the preceding first day of relief. This applies to Overtime; this applies to call-ins; it is not applicable to vacations; it is not applicable to holidays; and it is not applicable to sick time.
- b. If the second day of relief occurs on a holiday, the holiday premium only will be paid and these premiums will not be pyramided.
- c. For Monday to Friday workers, for the purposes of this premium payment, the first day of relief is Saturday and the second day of relief is the next succeeding Sunday.
- d. For shift workers, or those on any other schedule, the first day of relief and the second day of relief will be as allocated according to the payroll work week.
- e. This second day of relief is based on a five-day workweek fulfilling the weekly work requirement with two other days being considered days of relief. Therefore, any work week not filling this basic requirement will have to be considered specially.
- f. This second day of relief premium applies to all consecutive days of relief worked beyond one.

#### Section 7. Emergency Storm Work Premium

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

1. The outside physical workers so assigned will be paid for working time at the rate of one and one-half times their regular straight time rate and for rest time at their regular straight time rate.
2. The Rest Period Policy will not apply during this emergency work when employees are being paid under the above paragraph, but every effort will be made to give employees adequate rest time. It is intended that an employee who has worked continuously for sixteen hours be given at least six hours rest and be paid for this rest time at his regular straight time rate, but if it is not given, the employee will be entitled to compensating rest time at a later time for that portion of the six hours rest time which was not given.
3. If a holiday occurs during this assignment, working time shall be paid for at the rate of two and one-half times their regular straight time rate and rest time at the regular straight time rate.
4. When the assignment is completed and the employees have returned to their own district, the normal method of payment and rest time procedures will be in effect.
5. The outside physical employees in the working area of the district to which outside System employees have been assigned will be paid according to the same premium method as the assigned crews, and the rest period application will be the same, beginning at the time the first outside crew is assigned to the district and continuing until the assignment is complete and the crews have been released, at which time the normal method of payment and rest period application will be in effect.
6. A Construction Services crew working previous to and at the time of the emergency on non-emergency duties within a district will not be considered to be an outside crew for the determination of the paragraph (5) above.

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

- a. It is sometime necessary for employees in the Stores, Fleet, Operations Engineering, Metering Services and Customer Service Departments to work extended hours because of severe storms causing extensive interruptions to service.
- b. When employees in the Overhead Lines Department work outside of their district due to such conditions and they qualify for the payment of the "Emergency Storm Work Premium", which is provided for in this agreement, the Company's method of payment to employees in the Stores, Fleet, Operations Engineering, Metering Services and Customer Service departments working in the district receiving outside crews will be as follows when they work the extended hours set forth below:
  1. Employees in the Stores, Fleet, Operations Engineering, Metering Services and Customer Service departments, who are assigned to work twelve (12) consecutive

hours or more during such times will be paid for their working time at the rate of one and one-half times their regular straight time rate.

2. Such employees will not receive any pay for rest time during such times, and they shall only be entitled to receive the pay set forth in the paragraph above when the Overhead Lines Department employees working outside their district are entitled to receive emergency storm work premiums.
3. The Rest Period Policy will not apply during this emergency work when employees are being paid under the first paragraph, but every effort will be made to give employees adequate rest time. It is intended that an employee who has worked continuously for sixteen hours be given at least six hours rest. If it is not given, the employee will be entitled to compensating rest time at a later time for that portion of the six hours rest time which was not given.
4. Work schedules will be changed when necessary to meet the service restoration requirements. The Company does not intend to change shifts to avoid paying regularly accruing premiums on days of relief or holidays.
5. Employees in the above named departments when assigned as outside physical workers will be paid under the provisions of the Emergency Storm Work Premium - Overhead Lines (Section 6b, paragraph 5).

Section 9. Emergency Out of Town Assignments

It is imperative that the Company has the ability to respond to all regions with additional help in an expeditious and safe manner during emergencies. In order to accomplish this, the Company proposes:

- a. Overhead, Underground, O&M and Fleet Workers will have a bag packed at their work location with appropriate clothing, toiletries, etc, so as to be able to go out of town on emergencies for at least four days. The Company will provide a one time stipend of \$40.00 to those groups of workers. Employees without a packed bag will not be eligible to go out of town.
- b. Out-of town assignments will be limited to fully rated Line Workers, Splicers, and O&M workers. The assignment of lower-rated workers will be made only after all available, fully-rated workers are engaged.
- c. Only workers with valid and updated CDL licenses, including updated DOT medical certificates, are eligible for out-of-town assignments.
- d. Workers attending or training at any National Grid Training facilities will not be eligible for out-of-town assignments unless determined by the Company.
- e. For advance notice of out of town assignments, employees called six hours or more in advance of the start time will not receive compensation from the time of the call.

Employees called with less than six hours prior to the start time will be paid from the time of the call and acceptance of work.

- f. Twenty-four hour DOT reset time will be at straight time.

Section 10. Off-Hour Coverage

- a. Employees required to stand by for possible call-in will be paid \$60 per day, Monday through Friday and \$75 on weekends and holidays, when so assigned on a daily basis. This premium is not applicable to sick time or vacation time. In the case where the notice is less than 24 hours from the start of the coverage period, the daily stipend will be increased to \$100 per day for all days in the coverage period.
- b. Section 2. In the case of a holiday or holiday weekend, where the Company requires employees to be placed on stand-by, it will notify the local union at least 30 days in advance of the number needed and the local union will supply the names at least 48 hours prior to the start of the coverage period. If the Company does not notify the local union within 30 days of holiday coverage, the normal call out procedures will be followed. If the Union cannot fulfill the Company's request, the junior qualified individuals will be required to fill the request. The on-call responders will be given a pager and must respond within 10 minutes of the page. Holidays covered by this section are the named holidays (excluding floating holidays) those listed in Article X of the contract.
- c. Employees assigned to off-hour coverage on a holiday will be entitled to an additional holiday with pay.
- d. Work assignments for employees called in while receiving stand-by pay will be limited to the District boundaries.
- e. In Telecommunications an on-call stipend of \$200 per week will be paid to technicians who are assigned to weekly on-call.
- f. Employees who are assigned to off-hour coverage on a holiday will be entitled to an additional holiday with pay.

C. Overtime

Section 1. Employees subject to this agreement shall receive time and one-half for all work that does not occur within their regularly scheduled work day or work week; employees normally scheduled to work more or less than eight hours within a day shall be paid overtime at the rate of one and one-half times their regular rate for all work that does not occur within such scheduled hours, provided that no employee shall be paid both daily and weekly overtime on account of the same hours of overtime worked. "Regular rate" for the purposes of this Section shall mean the regular weekly wage of such employee divided by forty.

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

Section 3. In the event any employee who is asked to work overtime is unable to work, the available necessary junior qualified employees in the class will be required to work the overtime.

Section 4. Overtime shall be computed on the actual minute basis for all service performed in excess of the regularly scheduled hours of duty.

Section 5. All overtime hours worked on Sunday will be compensated at the rate of double time.

Section 6. Response to Overtime

- a. Because of the nature of our business, and our need to provide 24-hour a day service to our customers, it is necessary that employees work a reasonable amount of overtime - planned and unplanned.
- b. Troubleshooters or the shift workers on duty shall be the primary response to emergencies. If additional employees are required then those on stand-by pay shall be used. If additional employees are necessary, the call list process described below shall be utilized.
- c. Employees shall furnish an acceptable means of off-hour contact by telephone.
- d. Utilizing a rotating call list procedure:
  1. If the local union Response to Overtime response rate is equal to or greater than the response rate below, then the entire local call list in the district will be called first, followed by the call list for the secondary platform applicable to the town involved as designated by the Company.
  2. If the local union Response to Overtime response rate is less than the response rate below, then the local platform call list will be called first (but not the entire local), followed by available employees already responding to other emergencies in other local union areas, followed by the call list for the secondary platform applicable to the town involved as designated by the Company. Shift workers responding to emergencies may only work incidental overtime outside their local.
  3. The response rate standard for the Overhead Lines, Underground and Substation O&M departments is 30%.
  4. The lack of response records of employees will be reviewed on a periodic basis. Consideration will be given to the number of instances, the reasons for lack of response and the average response record of the employees in the department. If, as a result of this review, management considers that an employee's lack of response record is excessive, the employee will be reminded of his or her obligation to share in necessary overtime in an informal meeting with his supervisor. A continuing unsatisfactory response record will result in a formal meeting with the employee (with Union representation), and the employee will receive a written warning. A continued unsatisfactory response record may result in more severe disciplinary action.

5. For this purpose, the measure is calculated as the percent of calls made which result in a report to work. Employees who have worked 400 hours or more overtime in the preceding twelve months will be deemed to have met the standard regardless of acceptance rate to call outs and will not be subject to intervention consequences. Overtime hours resulting from an out of town storm restoration assignment to a non-National Grid affiliated company will not be counted towards the 400 hours. This standard is to be measured on a going-forward basis only in 6 month increments ending each calendar quarter following an adequate notice period to all affected employees. Employees who do not respond to a call will be charged with an instance for lack of response (exception - employees who are out on authorized absences). Employees shall not be charged with more than one instance in a twenty-four hour period or on consecutive days of relief. Employees unable to respond due to DOT regulation requirements and employees out on authorized absences will not be charged with non-response if called. The Company and the Union will form a joint committee to review response criteria and reporting by July 1, 2003.
- e. In the event the Company cannot get required resources from the procedure described above, supervisors and contractors may be used.

Section 7. Minimum Payment For Certain Overtime

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

D. Clothing

Section 1. It is agreed to replace articles of clothing damaged in unusual or extraordinary jobs.

Section 2. Employees in the Overhead, Underground, Substation O&M, Metering Services (Roster A) and Meter Worker Associate departments will be provided initial fire retardant clothing allowances of \$755 and annual allowances of \$270. The allowances will be available at the beginning of each fiscal year (April), with the next allowance to be made on April 1, 2004. Any employee with an allocation balance equal to or greater than three times the annual allocation will not receive an allowance for that year. Contractual allowances will be indexed to the average price increase, if any, during the term of the contract.

Section 3. The Company agrees to increase the annual cleaning allowances as follows:

Overhead and O&M	\$ 100.00
Underground	\$ 200.00

Section 4. Effective May 12, 2007, an annual allowance for protective footwear allowance of \$150 will be provided for employees in the following departments: Overhead, Underground, Substation O&M, Stores, Facilities, Fleet, Metering Services (Rosters A&B), Central Meter Test, Distribution Design and Telecommunications. All protective footwear will comply with ANSI Z41 having an impact rating of 75, compression rating of 75, and electrical hazard rate (ANSI Z41 part 91 I/75 C/75 EH).

Section 5. Meter Readers will receive an annual clothing allowance of \$200 and an initial startup allowance of \$500 for new Meter Readers. All Meter Readers are required to wear the Company-supplied uniform. Uniforms may not be worn outside of work assignments and must be returned to the Company upon leaving the department. Employees are responsible for wearing and maintaining their uniforms in a clean and orderly fashion. Any uniform grandfathering in the Metering Services department is terminated.

E. Miscellaneous

Section 1. The personal mileage reimbursement rate is the per mile rate established annually by the IRS.

Section 2. It is agreed to furnish adequate tools to perform all work for maintenance groups.

Section 3. The Company will reimburse employees for 100% of the premium cost of licenses required by employees as a condition of employment in their classifications.

Section 4. For employees requiring a Class A or B Commercial Drivers' License, the Company will pay the difference between Class C and A or B.

Section 5. The handling and paying for work on 115kV oil-filled cable joints in Narragansett will be continued.



F. Benefits

Employees subject to the provisions of this agreement shall be eligible for and entitled to the benefits plans listed below as set forth in "*Your Employee Benefits*" and "*Your Benefits At Retirement*" as modified by the Memorandum of Agreement dated May 12, 2007, all of which are incorporated into this agreement. During the term of the Agreement, the Company will maintain the type of benefits listed under existing terms, but only to the extent such existing terms specifically relate to represented employees' benefit formulas, contribution amounts or schedules, prescribed health and welfare benefit levels, and/or type of health care delivery options for example, PPO and POS). Otherwise, the Company maintains sole discretion to manage and administer all benefits, including, but not limited to, matters such as the delivery of benefits, the selection of insurers (except for POS plans), trustees or administrators, funding, investment management and the process and procedures for benefit processing.

Section 1. Final Average Pay Pension Plan II

The Company pays the full cost of this plan.

Section 2. Incentive Thrift Plan

a. Company Match

100% of the first 2% of base pay  
50% of up to the next 4% of base pay

- b. Effective January 1, 2004, the hardship suspension period is reduced from one year to six months, an after-tax savings feature will be added to the plan, and a year end match true-up will be implemented. Effective as soon as practical, the Company match will follow the employee's contribution, and all restrictions on current balances of National Grid ADR's will be eliminated. Effective September 1, 2007, employees can elect to make their contribution on either base or all pay.

Section 3. Active Employee Health Care

- a. Effective January 1, 2008, the Company contribution percentages for health insurance are:

Preferred Provider Organization Plan	80%
Point-Of-Service Plans	80%

- b. The Company will maintain not less than the level of hospitalization and medical coverage as provided under Blue Cross/Blue Shield listed above at the date of this agreement.
- c. If in the future, benefits are provided by a different carrier, coverage will not be less than that in effect on the effective date of this agreement.
- d. In the event of a work stoppage, health care benefits will be available for purchase on the existing group rate schedule.

- e. In structuring the applicable prices for the options above, the risk pool will be consolidated with all plans, all employees, at all locations. Prices will be set to offset the effect of adverse selection, and prices for each of the options will be the same for employees across the Company. . The PPO rate projection will be generated in aggregate with the PPO and POS claims in the same way as has been done in the past.
- f. The Company agrees to solicit a bid for stop loss protection for the National Grid members. When the lowest available price is established, it will be included in the rates prior to the application for the 80/20 cost sharing. All incurred individual claims above \$250,000 (two hundred fifty thousand dollars) in a 12-month renewal time frame will be removed from both the renewal calculations in setting the rates and the true up calculations effective January 1, 2008.
- g. Prices for the health care choices will be set on a current cost basis with a true-up process to take place after the completion of each calendar plan year which will refund or surcharge to employees a portion of the excess cost or savings realized under the program.
- h. In advance of the 2009 health plan enrollment, National Grid agrees to solicit bids for medical and prescription drug coverage on behalf of all UWUA employees at National Grid. Any change in benefits, vendors or providers shall be by mutual agreement.

#### Section 4.     Dental

- a. Dental benefits will be available to all employees regardless of the health plan they are enrolled in on a voluntary basis. Effective January 1, 2008, the Company contribution for dental is as follows:

Preferred Provider Organization Plan	80%
Point-Of-Service Plans	80%

- b. Effective January 1, 2008, the annual maximum benefit is increased to \$2,000.
- c. Dental coverage terminates at retirement.

#### Section 5.     Disability Insurance

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

5/12/03	\$49.65
7/01/03	\$73.97

- b. Any additional cost to be borne by the employee. Any amount by which the Company contribution exceeds the insurance premium will be refunded in payroll to employees who are receiving gross wages.
- c. Effective with disabilities commencing on or after 1/1/00, the maximum benefits that an employee will receive is 60% of base pay per month.

- d. The Company agreed that if a disabled employee was denied benefits by the insurer after the first twenty-four months of disability, and the Company could not provide employment for the individual, and the individual had acquired the total of age and years of service totaling 60 at the time the employee began receiving Long Term Disability payments, the employee will be eligible for an early medical retirement under the conditions outlined in the Memorandum of Understanding of Items Agreed to During Negotiations of New Labor Agreement March 12, 1984.

Section 6. Basic Group Life Insurance

The Company pays the full cost of this plan.

Section 7. Optional Group Life Insurance

The employee pays the full cost of this plan.

Section 8. Retiree Health and Life Insurance

- a. Effective August 1, 2003, upon retirement:
  1. The retiree life insurance benefit is reduced immediately to \$12,500. Employees hired after May 12, 2007, are not eligible for post-retirement life insurance.
  2. The Company contribution to post-age 65 coverage is modified as per Item #6 to the May 12, 2007 Memorandum of Agreement.
- b. Those employees eligible for the VERO, as outlined in Attachment I. to the May 12, 2003 Memorandum of Agreement, will retain the current benefit design at any retirement date.

Section 9. Broken Service

- a. The following rules regarding the reinstatement of prior service for crediting to sick pay, vacation time and service awards shall be in effect:
  1. If the prior period of regular full-time service was five years or more, then that service is now automatically and immediately recognized. Only years and months of actual full-time service should be counted.
  2. If the prior period of regular full-time service was less than five years, and the break in service was less than five years, then the prior service is recognized after one year of future service. Only years and months of actual full-time service should be counted.
  3. In all other cases, no credit for prior service shall be given.

- b. Rules for the crediting of service after a break in service under the pension plan are contained in Section 4.07 Reemployment in the Final Average Pay Plan II.
- c. Effective 5/12/99, employees must make specific claim for this adjustment and must supply as much information as possible to the Company.

Section 10. Educational Reimbursement

- a. It is the present policy of the Company to reimburse regular full-time employees with more than one year of continuous service, for 90 per cent of the net cost of both tuition and required textbooks for courses which are reasonably related to their present or prospective future work with the Company. Courses taken to satisfy established degree requirements as a qualification for bargaining unit positions will be reimbursed at 100%. Course approval in each case will be determined by the Company on the basis that both the employee and the Company will benefit from the additional schooling. The courses must be taken outside of working hours and must not interfere with regular work.

1. Procedure for Application

The employee must complete an application form (800-25.20) available from the Employee Relations Department and submit it to his supervisor so that it may be approved prior to the starting date of the course.

2. Procedure for Reimbursement

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

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

Section 11. National Grid Scholarship Program

The National Grid Scholarship Program is available to all employees. Future program continuation, termination, or changes is at the full discretion of the Company.

Section 12. Dependent Care Assistance Plan

Benefits are as described in “*Your Benefits Program*.”

Section 13. Workers' Compensation Benefits

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

Section 14. Severance Pay Plan

Except as provided below, the Company will pay severance benefits to eligible employees as follows:

a. Basic Severance

1. Regular employees who have completed three (3) years or more of continuous service and who are permanently released from employment because of reasons beyond the control of the employee concerned shall be given an allowance of one (1) week's base pay at the rate of pay at the time of release for each full year of continuous service.
2. An employee shall not be required to accept severance pay. He shall have an option, effective up to two years following the date he receives from the Company, notice of termination, to accept or not to accept severance pay. In case he elects not to accept severance pay, he shall not lose his reemployment rights, but shall retain all reemployment or other privileges which the contract between the Company and the Union or which the practice of the Company provides.

b. Enhanced Severance

If the employee signs the required Agreement and Release, benefits will be as follows:

1. Regular employees who are permanently released from employment because of reasons beyond the control of the employee concerned, shall be given an allowance of two week's base pay at the rate of pay at the time of release for each full year of service (pension service basis).
  2. Up to one year Company contribution towards COBRA health coverage.
  3. \$4,000 gross for retraining or education reimbursement during first year following severance.
  4. Election period of 90 days.
- c. Severance benefits shall be in addition to any earned vacation benefits for which the separated employee is eligible.
- d. Severance pay benefits shall not apply to employees:
1. Discharged for just cause
  2. Retiring from the Company (including early medical retirement).
  3. Leaving on leave of absence.
  4. In the event of death.

**Section 15. Moving Expenses**

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

**ARTICLE X - HOLIDAYS**

**Section 1.** Employees subject to the provisions of this agreement shall receive normal straight time hourly compensation for each of the following legal holidays:

New Year's Day, Washington's Birthday, Memorial Day, Independence Day, Victory Day, Labor Day, Veteran's Day, Thanksgiving Day, the last scheduled work day before Christmas, Christmas Day, plus two floating holidays. (One of the two floating holidays is the employee's birthday holiday).

**Section 2.** In the event the Rhode Island legislature decides to eliminate V.J. Day as a state holiday, a mutually agreed upon holiday will be added replacing V.J. Day.

**Section 3.** If employees work on such holidays in their normal schedule, they shall receive in addition to the holidays listed above, one and one-half times their straight time hourly rate for all hours worked in that schedule.

**Section 4.** If employees are assigned on such holidays to work hours outside their normal schedule (normal schedule on days of relief being hours worked in last regularly scheduled day) they shall

receive two and one-half times their straight time hourly rate for all hours worked in addition to the holidays listed above.

Section 5. If an employee is not paid for the week in which a holiday occurs, he shall not receive holiday compensation with the exception of an employee still on the active payroll but absent due to sickness or injury.

Section 6. If on a holiday which falls on a regularly scheduled day an employee is absent during a sick pay period, his pay for the day will be charged as holiday pay.

Section 7. If an employee is absent but receiving vacation pay or authorized funeral leave and the holiday occurs on his normal workday, the employee shall receive either an additional day off with hours to be designated by the Company or normal straight time hourly compensation for one day.

Section 8. If an employee is on a "no work-no pay status", he shall receive holiday compensation only if he works the scheduled workday prior to and subsequent to the holiday, unless the Company and the Brotherhood are satisfied by convincing evidence that such absence was justifiable.

Section 9. An employee who would have received a shift premium if he had not been forced to take the holiday off because his operation is shut down for the holiday (e.g., the Providence Garage will be paid the shift premium along with his holiday pay which would have been earned if worked).

Section 10. In lieu of the "Birthday Holiday" the employee may receive, if he requests, a day off at a time mutually agreeable.

Section 11. An employee who is retiring prior to this Birthday Holiday will have that day added to the vacation allowance to which he is entitled on going into retirement.

## **ARTICLE XI - VACATIONS**

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

Section 2. Employees, on January 1 following one year of continuous service will be entitled to two weeks' vacation with straight time pay.

Section 3. Employees, on January 1 of the year in which they complete of five full years of continuous service, will be entitled to three weeks' vacation with pay in that year.

Section 4. For each full year of service beyond ten years, employees will be entitled to one additional day of vacation for each full year of service completed between years 11 and 14.

Section 5. Employees, on January 1 of the year in which they complete fifteen full years of continuous service, will be entitled to four weeks' vacation with pay in that year.

Section 6. Employees, on January 1 of the year in which they complete twenty full years of continuous service, will be entitled to five weeks' vacation with pay in that year.

Section 7. Effective January 1, 2008, employees will have the option to buy up to five additional days of vacation for the year subject to the applicable program rules and IRS limits.

Section 8. Vacations will be granted according to schedules approved by the Company and insofar as possible, seniority will govern. One of the three weeks, two of the four weeks and three of the five weeks of vacation for those employees who are eligible may be scheduled by the Company at any time during the calendar year which is mutually agreeable.

Section 9. Rate of Vacation Pay

An employee will be paid during vacation the normal wages or salary that he would have received if he had worked including premiums regularly accruing except that:

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

Section 10. Employees who work a cumulative total of twelve weeks or more in higher rated classifications during the preceding calendar year will be paid vacation pay at such rates or at the rate of their current classification, whichever is greater.

Section 11. An employee may select his entire vacation consecutively providing the selection beyond the normal two weeks does not cause a hardship to other employees or cost the Company abnormal overtime payments.

Section 12. It is agreed that where it has been the practice to allow employees to take their vacations less than a week at a time, such practice will be continued, provided that the granting of such vacation shall be subject to the Company's right to approve vacation requests.

Section 13. In the event employees are unable to take their earned vacation prior to December 31 of any year because of sickness or injury, such vacation will be scheduled at a time set by the Company in the following year. At the request of the Union and subject to the possibility of operating conditions which make the granting of such requests inadvisable, an employee may reserve all or part of a vacation but not less than one week in one year to be taken in the following year. The rate of pay for such vacation will be that of the originally scheduled period.

Section 14. It is agreed that if a death in the immediate family occurs during a vacation, the days falling within the Funeral Leave procedure will not be charged to vacation time.

Section 15. In the event of an emergency, when an employee has been called in to work from his vacation, that is, he has completed his last scheduled day of work before vacation and has actually begun his vacation, this policy is as follows:



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

Section 16. In order to encourage and reward response to call-outs, employees in Overhead Lines, Underground and Substation O&M departments meeting certain overtime hours worked and response to call-out percentages will receive additional vacation pay as described below:

- a. For each 12 month period ending on September 30 of each year, the number of hours of overtime worked and the response rate to call-outs will be determined for each employee. In the following calendar year, additional vacation pay in the form of hours at time and one-half per vacation week shall be paid as shown in the table below.

Call-out Response Rate	Hours Added to Weekly Vacation Pay			
30 %	3	5	6	7
25 %	2	4	5	6
	100 - 199	200 – 399	400 – 599	600 +
	Hours of overtime Worked in a Year			

- b. Additional work is needed to determine how this increment would be calculated for vacation taken in less than full weeks, but it would be applied pro-rata.

Section 17. Payment of Vacation Pay to Employees Who Leave Employment

- a. Employees who leave the employ of the Company prior to completion of twelve months of continuous service will not be paid for unused vacation days.
- b. Employees who leave the employ of the Company after at least one full year of continuous employment, will be granted pay for their unused vacation for the year (at straight time) and, in addition, vacation pay (at straight time) at the rate for each full month employed after January 1<sup>st</sup> (and not to exceed the maximum) as follows:

<u>Years of Employment in the vacation year</u>	<u>Days Pay For Each Mo. After Jan 1</u>	<u>Maximum Working Weeks</u>
1-4	1	2
5-14	1 ½	3
15-19	2	4
20 or more	2 ½	5

- c. In the event an employee has been off the payroll for two months or less in any calendar year, on the following January 1, the full vacation entitlement applicable the number of completed years of service in that calendar year will be posted.

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

### **A. Sick Pay**

#### **Section 1. Occupational & Non-Occupational Disability Benefits**

- a. For a temporary non-occupational disability, subject to the limits outlined in paragraph d. below and subject to such evidence as may be required and with the approval of the supervisor or manager, full base pay in accordance with the hourly rates shows in the Schedule of Wages applicable to the position held at the commencement of the absence will be paid for not longer than 40 hours, or the equivalent of one week's scheduled work, for each completed year of service dating from the employee's original employment with either the Company or a presently or formerly affiliated company.
- b. For a temporary occupational disability, subject to the limits outlined in paragraph d. below and subject to such evidence as may be required and with the approval of the supervisor or manager, full base pay in accordance with the hourly rates shows in the Schedule of Wages applicable to the position held at the commencement of the absence will be paid for not longer than 80 hours, or the equivalent of two week's scheduled work, for each completed year of service dating from the employee's original employment with either the Company or a presently or formerly affiliated company.
- c. In the case of an employee who has performed substantial amounts of work under more than one approved wage or salary rate prior to his disability, consideration will be given to the amount of work performed in each such class in establishing the rate to be paid during the disability.
- d. Limit on amount of benefits - the determination of the number of hours during which salary or wages will be paid for such temporary disability shall be computed at the beginning of each week as follows:
  - 1. From the total number of hours of pay to which the employee is entitled, based on his completed years of service to that date, deduct the total number of hours, of disability for which the employee received wages or salary during the preceding 52 consecutive weeks.
  - 2. The foregoing limit shall be applied separately to:
    - a. Disabilities caused by sickness or non-occupational accident, and
    - b. Disabilities of an occupational nature.

3. Both shall not be combined for the purpose of determining the number of hours during which salary or wages may be paid; i.e., an employee with ten years of service is entitled to a maximum of 400 hours of sick pay as well as 800 hours of pay less Workers' Compensation Benefits.
- e. The Federal Family and Medical Leave Act (FMLA) requirements are accepted by the parties. As such, all sickness absences beyond 3 consecutive scheduled workdays shall be deemed to be FMLA and subject to all applicable documentation and certification requirements. Failure to obtain the required certification will result in the absence being classified as non-FMLA.
- f. No sick pay benefits will be paid beyond 3 consecutive scheduled workdays for periods of disability during which the employee is not under treatment by a recognized physician or practitioner. No wage or salary payments will be made by the Company to any employee for disability resulting from the neglect or refusal of such employee to observe the Company's established safety rules or regulations if such employee has previously been warned.
- g. The Management may, in its discretion, withhold payment of wages or salary during periods of disability from employees who engage in work other than for the Company or its affiliates.
- h. With the exception of absences deemed to be covered by FMLA, nothing herein contained will be construed to prevent the Company from placing employees on a pay-as-you-work basis if an employee's absenteeism record justifies such action.
- i. Sick pay allowance is payable directly by the Company to the employee unless otherwise directed.
- j. For employees who have exhausted the sick pay benefits described above and are not on "Pay-For-Time-Worked," the seven day waiting period under the Short Term Disability plan is waived.

Section 2.      Coordination of Benefits

- a. Company sick pay is fully offset by any and all statutory disability benefits. By mutual agreement, the Company may waive recovery of such benefits. In those locals where the Company is recovering Rhode Island TDI benefits, the Company agrees to reimburse employees for the cost of the Rhode Island TDI tax by a single payment in each January for the prior calendar year.
- b. Wages or salary will not be payable whenever the disability of the employee is the result of an occupational or non-occupational accident which permits the employee to recover damages from a third party. Pending the outcome of settlement of his claim, subject to the limitations set forth in paragraph d. (Article XII , A., Section 1.), under Occupational & Non-Occupational Disability Benefits, appropriate wages or salary will be paid on condition

that the employee agrees in writing on the form provided for this purpose to reimburse the Company to the extent provided for in such form.

- c. In the event an employee is to be paid any wages or salary for a period of disability arising from an industrial accident for which he subsequently receives Workers' Compensation weekly payments, he shall be required to agree in writing that if the wage or salary together with the Workers' Compensation payments aggregate (for the period of disability for which both payments are made to him) more than his normal weekly wage or salary, he shall reimburse the Company for the excess.
  1. The Company agrees to provide employees who have received both sick pay and Workers' Compensation benefits, 1.) Notice of such duplication within 30 days from the date of the first Workers' Compensation benefit, 2.) full payroll records reconciling the amounts of such overpayment and 3.) the opportunity to make reasonable repayment arrangements for repayment which in no case will require repayment over a shorter time than the period of time during which the duplication occurred. Failure to provide notice under #1, above, is a waiver by the Company of its right to recover such benefit.
  2. If an employee injured in an occupational accident makes a lump sum settlement with the insurance company in lieu of his receiving weekly Workers' Compensation Benefits, the benefits to which he may be entitled from the Company shall be computed for the period of his disability as though he were receiving weekly compensation benefits.
  3. In any case of a disability resulting from aggravation or relapse of a previous disability for which the employee has made a lump sum compensation insurance settlement and as the result thereof is ineligible for further Workers' Compensation Benefits, the salary or wages payable by the Company shall be computed as though the injured employee was receiving such compensation benefits.
  4. The Company will distribute the Workers' Compensation brochure to all claimants with lost time in the mailing of the first check. All employees submitting an accident report will receive the letter from the Workers' Compensation administrator as referenced in May 12, 2003 Memorandum of Understanding.

B. Health Services

Section 1. Health Services is responsible for determining when an injured or ill employee is well enough to return to work and what type of work he should be returning to. Health Services will contact the family physician, see the patient, if necessary, and make whatever tests are necessary.

Section 2. All employees who have been out for more than 3 consecutive scheduled workdays must notify Health Services before returning to work and obtain proper clearance. The applicable local union president will be provided a copy of the return to work paperwork.

Section 3. If there is disagreement between the employee's physician and the Company Health Services department, arrangements should be made for the Union representatives to talk with one of the

Company physicians as soon as possible. If there is still disagreement between Health Services and the employee's treating physician on any matter pertaining to return to work or restrictions, it may, upon request of either party, be referred to a third physician, whose decision will be final and binding upon all parties. The third physician will be selected by Health Services and the employee's physician. If they are unable to agree upon the third physician, a joint request will be made to the Dean of Harvard Medical School for choice of a third physician in special field involved. In the event a third physician is appointed, Health Services and the employee's physician will have the right to submit the medical history of the employee and all other relevant information in their possession.

C. Testing and Examination

Section 1. DOT Compliance Physicals

DOT compliance physicals must be performed either by Health Services or one of its designated providers.

Section 2. Blood Lead Testing

Blood lead testing for the Underground department is mandatory.

Section 3. Drug & Alcohol Testing

The DOT Drug and Alcohol testing policy provides for termination of employment upon the second positive test, with a required second test during rehabilitation no later than 45 days following the initial positive test. When the Medical Review Officer determines that an employee's urine specimen is dilute, a mandatory retest will be conducted. Employees with one or two strikes through 60 days following initial announcement of this change will continue to be subject to prior policy provisions. A positive drug or alcohol test older than seven years will not be considered as a strike under this language. The Company agrees to work with its health plans to achieve maximum possible acceptance of EAP or other intervention counselor's prescribed treatment plans for employees testing positive.

Section 4. Veterans Medical Examinations

When a veteran receives a written order from the proper government agency requiring examination or treatment at a specified time and place for war-incurred injuries, effective at this date, the Company is willing to allow the time required for such examination. Such time as is allowed will, however, accrue as sick time under this Article.

Section 5. Other Medical Examinations

Other medical examinations that may be required by an employment-related regulatory requirement will be carried out or arranged for by Health Services.

Section 6. Department Procedures

It is the understanding of the parties that in the application of the Disability Retrogression Pay Plan the following applies:

“An employee transferred to another classification under this Plan shall be assigned without posting the job.”

The meaning is to include the same right expressed in the Wage Reduction Plan to displace employees of the Company pursuant to the Seniority Provision.

D. Disability Retrogression Pay Plan

Where an employee of ten years or more of continuous service, because of disability, is or becomes unable to continue to perform assigned duties based on classification as of the date of disability, the rights of such employee and the obligations of the Company under such circumstances shall be determined in accordance with the “Disability Retrogression Pay Plan,” described below:

Section 1. Non-Compensable Disability

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

Section 2. Future Retrogressions

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

Full Years Of  
Continuous Service At  
Time Of Retrogression

Pay Adjustment

0 – 4	Reduction to rate of new job by three annual reductions unless wage protected
5 – 9	Reduction to rate of new job by four annual reductions unless wage protected
10 – 14	Reduction to rate of new job by five annual reductions unless wage protected

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

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

Section 3. Past Retrogressions

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

Section 4. Compensable Disability

- a. In the event an employee with ten full years of continuous service or more becomes unable to perform his normal duties because of a disability for which he is receiving Workers' Compensation Benefits, the Company shall provide him with work, provided he is able to perform such work. If such employee refuses to accept such work, the obligation of the Company hereunder shall be discharged.
- b. In the event an employee with less than ten full years of service becomes unable to perform his normal duties because of a disability for which he is receiving Workers' Compensation Benefits and if the Company is able to provide him with work which he is capable of performing, he shall be assigned to such work. If such employee is unable to perform such work or refuses to accept such work, the obligation of the Company hereunder shall be discharged. The employee's pay rate in either case shall be determined as set forth under Section 1, Non-Compensable Disability, except that the following shall apply:

If, at the time of retrogression, the employee is receiving compensation for partial disability, the Company will pay such amounts so that the employee's total compensation from the Company and from such Disability Benefits will never be less than the ADJUSTED pay rate.

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

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

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

Section 1. Probationary Employees

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



Section 2. Permanent Employee

a. The Record

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

b. First Interview

1. When such an interview is held with an employee whose job is covered by a labor agreement, the department head will invite the Union to be represented at the meeting. No less than 3 days prior to the first interview meeting on absenteeism, the Union will be provided with the number of instances of the non-FMLA absence for the employee(s) involved.
2. In the first meeting, the employee should be told of the difficulties in running a department when an individual is frequently absent and also that the Company's sick pay policy was not designed for such excessive absenteeism. If the employee would like to see the Company physician, this should be arranged and the physician's recommendation received. If the individual does not want to see the Company physician, he should be told that his absentee record must improve or he may be put on a pay-for-time-worked basis. A continuing bad record may mean the individual is not employable.
3. This step will take place after 2 instances of non-FMLA absence in a rolling 12-month period.

c. Second Interview

1. The absentee record will be subject to monthly review, and if there is no substantial improvement after the warning, the department head should call in the employee and tell him that his attendance record continues to be a problem and that unless there is sufficient improvement, he may be put on a pay-for-time-worked basis and he may ultimately not be employable. No less than 3 days prior to the second interview meeting on absenteeism, the Union will be provided with the number of instances and number of days of the non-FMLA absence record of the employee(s) involved. Again, the Union will be invited to the interview. A letter will again be sent to the employee with copies to the Union and to the Employee Services Department.
2. This step will take place after 3 instances non-FMLA absence in a rolling 12-month period.

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

1. The absentee record will be subject to monthly review and if there is no substantial improvement, the employee will be placed on pay-for-time-worked. He will also be told that he may not be employable. Again, the Union will be invited to the interview. A letter will again be sent to the employee with copies to the Union and to the Employee Services Department.
2. This step will take place after 4 instances of non-FMLA absence in a rolling 12-month period.

e. Follow-Up

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

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

3. Definition of Pay-For-Time-Worked - An individual on a pay-for-time-worked basis shall not be eligible for sick pay benefits from the Company, except for sick pay benefits related to an occupational injury or illness.
4. General - On occasion, an employee may feel that the Company is questioning the legitimacy of his declared illnesses. This is not the case. The above procedure is based on excessive absenteeism which is a matter of record. Therefore, this procedure would not cover an instance where an employee is known to have falsely claimed a non-FMLA absence due to illness, nor would it cover a situation where an employee failed to properly notify the Company of his absence.

## **ARTICLE XIII - LEAVES OF ABSENCE**

### **A. General**

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

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

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

### **B. Military**

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

- a. Eligible employees who are members of the National Guard or on the reserve list of any branch of the Federal armed forces and who are required to attend training camps for two weeks of training will be allowed one normal working week's leave with wages or salary in addition to their normal vacation allowance with pay. Wages or salary payable while in such military training will be computed on the same basis as vacation pay.
- b. No deduction from wages or salary will be made for absence when ordered out for parade, rifle practice or special peacetime military duty. Such order must be addressed to the employee and be signed by his commanding officer.

#### **Section 2. Guaranteed Holidays While on Certain Military Duty**

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

#### **Section 3. Military Leave of Absence**

The wartime policy with respect to permanent employees who are granted a leave of absence to enter service in the armed forces, established by a memorandum dated February 2, 1942, and Sections 1-D-3 (dated 7/20/45) and IV(E) dated 4/2/45 of "Plan for the Re-employment of Returning Veterans", is hereby

terminated. The following policy should be adhered to in the future for permanent employees liable for military service under existing laws and entering service in the armed forces (whether inducted or by voluntary enlistment) for three months or more.

Section 4. Status of Employees

- a. Such employees will be granted a leave of absence for the period the employee is required to remain in the service as prescribed by law and such leave will not be construed as a break in the employee's continuous service record.
- b. Any employee who, subsequent to the enactment of the Selective Training and Service Act of 1940, left the employ of the Company to enter any of the armed forces of the United States of America, will retain the same seniority status that he would have had if he had remained in the employ of the Company during the period of his absence, provided that his military service is terminated by an honorable discharge and that within ninety days thereafter he shall apply in writing to the Company for reemployment. The Company shall assign such an employee according to his seniority status provided he is then qualified by fitness and ability to perform the work in his class, but if he is mentally or physically unfit to perform the work in his class, the Company shall endeavor to provide him with employment in any class of work in any department of the Company for which the Company deems him to be mentally, physically and otherwise qualified, and provided also that his total length of service with the Company, including the aforesaid military service, shall be greater than that of the employee to be displaced.

Section 5. Suspension of Compensation

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

Section 6. Vacation Allowance

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

Section 7. Group Insurance and Medical Care Benefits

- a. Group Life Insurance, Group Accidental Death and Dismemberment Insurance, Weekly Health Benefits and medical care plan membership will be suspended during the leave of absence period except that:

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

Section 8. Group Annuities

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

C. Amount And Period Of Wages While On Jury Duty

Section 1. Full normal wages or salary will be paid to eligible employees while absent from work for jury duty.

Section 2. Full normal wages or salary will be paid to eligible employees while absent from work when subpoenaed to testify or participate in any court case or administrative proceeding or when subpoenaed to appear before any body having the legal authority to require the attendance of witnesses by service of legal process. The provisions of this section shall not apply to any proceeding in which: (1) an employee is suing the Company, (2) an employee has filed a charge or claim against the Company with an agency of the government which has resulted in the holding of a court or administrative hearing in which the Company is the respondent or defending party; or (3) any Union is a party and causes the issuance of a subpoena to the employee to require his testimony or presence, unless the Company and the Union are both plaintiffs, defending parties or respondents in the matter.

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

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

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

D. Funeral Leave

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

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

E. Payment Of Wages For Other Time Not Worked

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

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

**ARTICLE XIV - SAFETY**

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

Section 1. Safety and Health Agreement

- a. It is the aim of the Company and the Brotherhood to promote safety and health of the employees and to prevent accident and health hazards, and the Company and the Brotherhood agree to cooperate to this extent as outlined below:
- b. Each Local Union represented by the BUW shall have a minimum of one member on the local Company Safety Committee with all the rights and courtesies now extended to that Committee. The Union member shall be chosen by the Local Union and the Company notified, in writing, of the same.
- c. The BUW shall appoint no more than four qualified representatives and shall notify the Local Manager and the System Safety Manager, in writing, of these appointments.
- d. The Company shall appoint no more than four qualified representatives and shall notify the Union, in writing, of these appointments.
- e. These representatives shall be the Committee on Safety and Health.
- f. The Committee on Safety and Health shall meet not less than once quarterly to consider any matters placed before it.

- g. The Chairman of the Committee shall be, for one-half the term of the Contract, one of the Company representatives and for the other half, a Union representative. He shall be chosen by majority vote of the Committee membership.
- h. The Clerk of the Committee shall be chosen by majority vote of the Committee and it shall be a part of his duties to send a report of all pertinent business of the Committee to a designated member of the Company and to the Secretary of the BUW.
- i. The duties of the Committee shall be to promote the program of safety and health; to review all present safety and health rules, regulations and proposals; to recommend to the Company and the BUW changes that they, in their wisdom, may feel needed. They may recommend penalties to personnel for violations of rules and regulations pertaining to safety and health.
- j. The Company and the BUW agree that no changes in the rules and regulations as now defined, insofar as they shall apply to the BUW membership, shall be made until they have been presented to this committee for consideration.
- k. It is further agreed by the Company and the BUW that if the Committee agrees on the establishment of penalties as stated under section (F) of this memorandum, they will act jointly and impartially to enforce any such penalty insofar as they apply to the BUW membership.
- l. Either party to this agreement may terminate, by thirty days' written notice to the other, but in no instance may the termination be made prior to a period of two hundred and seventy days from the effective date of this contract.

Section 2. Class II rubber sleeves and gloves will be worn when working on energized primary conductors and equipment. The Union will participate in the selection process for rubber sleeves for New England companies. The Company will issue a policy on the appropriate use of sleeves to all operating departments within the next three months.

Section 3. The testing cycle of Class II rubber gloves will change from one month to 90 days.

Section 4. Work group leaders will conduct a pre-job briefing before the start of each job assignment. The crew leader will sign each pre-job briefing form, and the crew will affix their initials indicating their attendance at the briefing.

## **ARTICLE XV - DISCIPLINE AND DISCHARGE**

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

Section 2. The hearing will be conducted by the department head or manager within ten days of the written request, and if exonerated, the employee will be reinstated without prejudice and compensated for any loss in wages. At the hearing, the Union shall represent the employee so disciplined and may

present witnesses. When hearings on discharge require further attention through the grievance procedure, a grievance meeting will be held at the third step level within ten days of the hearing.

## **ARTICLE XVI – SETTLEMENT OF DISPUTES**

**Section 1.** While this agreement is in effect, there shall be no authorized or sanctioned cessation, retarding or stoppage of work because of any dispute which may result from an interpretation of this agreement, or from any cause whatsoever. It is further agreed that any employee represented by the Union and/or subject to the terms and conditions of this agreement who, without the authority or sanction of the Union, voluntarily absents himself or herself from work because of any dispute or demand may be denied further employment or suspended at the option of the Company.

**Section 2.** Any dispute arising during the term hereof shall be treated as a grievance and every reasonable endeavor shall be made to settle such dispute by agreement between the Union and the Operations Manager or Division Director of the Company.

**Section 3.** Disputes and grievances shall be handled with the aggrieved employee with the Shop Steward in the following steps: first, with the supervisor or foreman; second, with the department head; and third, with the Union and the Operations Manager or Division Director of the Company, or his representative. Grievances continuing beyond the first step shall be in writing for the records of the Company and the Union, and shall be presented in quadruplicate on forms to be provided by the Company. Grievances will be answered within fifteen days if possible; if not, the Local will be notified and given the reason for the delay.

**Section 4.** All grievances not settled under the procedure outlined above and other differences arising between the parties relative to wages, hours, conditions of employment or other matters mentioned in this agreement shall at the request of either party, be referred to arbitration to an arbitrator mutually agreed upon by the parties, whose decision shall be final and binding. Each party shall bear its own arbitration expense. Compensation of the arbitrator shall be borne equally by them. In case the parties are unable to agree upon the choice of an arbitrator, then the arbitrator shall be chosen from a list of arbitrators to be supplied by the American Arbitration Association.

**Section 5.** Multiple or unrelated grievances shall not be arbitrated simultaneously, in the same hearing, before the same arbitrator except by mutual agreement of the parties.

**Section 6.** The provisions of this Article shall not apply to probationary employees.

**Section 7.** The parties agree to participate in a so-called “last best offer” pre-arbitration conference upon request of either party provided that such conference must be requested in time for the arbitration to be cancelled without cost to either party.

**Section 8.** With the exception of disputes related to New Equipment, no arbitrator shall have the power to add to or subtract from the specific terms of this Agreement or to pass upon or decide any question except the grievance submitted to the arbitrator.



## **ARTICLE XVII - SUPERVISORS**

Supervisors who are not covered by the labor agreement will do only such incidental work as is necessary to instruct others or to improve operations. They shall not, except in emergencies, perform work that employees subject to the labor agreement are normally required to perform. The above is not intended to change past practices in those cases of supervisors who have normally done more than incidental work as described above, if in such cases there has been no disagreement within the recent past.

## **ARTICLE XVII I - STIPULATIONS**

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

Section 2. All line crews installing or removing single phase services may be required to install, replace or remove common meters as required but limited to no more than three (3) meters per location. All line personnel will be trained in the proper installation and removal of common meters.

### Section 3. New Equipment

The Company and the Union will continue to cooperate in the introduction of any new machinery, equipment, systems, operational policy or procedures which calls for significant changes to the current job specification or new job specifications. The Company will give the Union ninety (90) days advance notice of such contemplated introduction, during which time the Company will negotiate with the Union relative to the impact of the proposed changes to current proposed job specifications and corresponding rates of pay. The Company will take any suggestion the Union may have and give consideration to such recommendations. The parties will give due consideration to training programs for employees so affected, to their promotional opportunities and seniority rights. Reasonable training will be provided to the affected employee(s), where necessary, to assist them in qualifying for a job(s) to which they have been assigned. At the end of the ninety (90) day period, the Company may proceed to implement the change and if the Union is dissatisfied with either the department impacted by the change or hourly pay rate(s) assigned to the work, these issues and only these issues may be referred for resolution in accordance with Article XVI, Settlement of Disputes.

Section 4. The Company will not purchase any product that has been manufactured or produced in working conditions that resemble a sweatshop or that have child labor in the workplace.

Section 5. The BUW past practice of requiring a three person crew for replacing transformers after daylight is eliminated. The Company recognizes there will be occasions when changing out a transformer requires a third person. On those occasions, the person in charge of the job will make the determination as to the best approach.

Section 6. The Company agrees to remind its supervisors of the need to respect the judgment of the crew leaders in matters of safe work execution. The Company does not tolerate intimidation, harassment or other unwarranted pressure on crew leaders exercising such judgment.

## **ARTICLE XIX - TERM OF AGREEMENT**

Section 1. This agreement shall be effective as of the twelfth day of May 2007, and shall be binding upon the parties hereto and upon all employees who are subject to its provisions, and it shall remain in full force and effect through May 11, 2011.

Section 2. To the extent not otherwise provided for in this agreement, the contents of the Memorandum of Understanding dated May 12, 2007, are hereby incorporated by reference.

Section 3. In the event the Company decides to change the named employer of employees at any location, in any department, from the name of one subsidiary or affiliate to another, this agreement shall be binding on such successor employer even if it is not so named in the preamble to this agreement.

Section 4. In case of consolidation or merger of the Company with an affiliated company or sales of all or a substantial part of their properties between affiliated companies, the provisions of this agreement will continue to apply to the extent legally permissible, for the term of the agreement to the classifications and employees covered by the terms of this agreement.

Section 5. In the event of a merger or sale of any of its property or business to a non-affiliate of the Company, to the extent supportable by law, the Company shall require such non-affiliated company to assume this entire agreement for its remaining term.

**SCHEDULE OF WAGES  
THE NARRAGANSETT ELECTRIC COMPANY  
PROVIDENCE - LOCAL 310**

**ULTIMATE WAGE RATE  
EFFECTIVE**

**5/12/07      5/12/08      5/12/09      5/12/10**

**R-1 OVERHEAD LINES**

Crew Leader	37.14	38.26	39.41	40.60
Troubleshooter	37.14	38.26	39.41	40.60
Lineworker 1/C	33.93	34.95	36.00	37.08
Lineworker 2/C	26.52	27.32	28.14	28.99
Lineworker 3/C	25.08	25.84	26.62	27.42
Lineworker Apprentice	25.08	25.84	26.62	27.42
Operations Clerk	20.43	21.05	21.69	22.35

**R-2 UNDERGROUND**

Lead Splicer	35.53	36.60	37.70	38.84
Cable Splicer 1/C	32.33	33.30	34.30	35.33
Cable Splicer 2/C	28.18	29.03	29.91	30.81
Cable Splicer 3/C	25.50	26.27	27.06	27.88
Cable Splicer Apprentice	24.09	24.82	25.57	26.34
Operations Clerk	20.43	21.05	21.69	22.35

**R-5 ELECTRICAL O & M & TEST**

Working Leader	37.03	38.15	39.30	40.48
Substation O & M Worker 1/C	33.02	34.02	35.05	36.11
Substation O & M Worker 2/C	27.12	27.94	28.78	29.65
Substation O & M Worker 3/C	24.50	25.24	26.00	26.78
Substation O & M Worker Apprentice	23.32	24.02	24.75	25.50
Operations Clerk	20.43	21.05	21.69	22.35

**R-6 INSPECTIONS**

T&D Inspector	26.86	27.67	28.51
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**SCHEDULE OF WAGES  
THE NARRAGANSETT ELECTRIC COMPANY  
PROVIDENCE - LOCAL 310**

**ULTIMATE WAGE RATE  
EFFECTIVE**

**METERING SERVICES**

**Roster 7**

	<u>5/12/07</u>	<u>5/12/08</u>	<u>5/12/09</u>	<u>5/12/10</u>
Working Leader	32.13	33.10	34.10	35.13
Meterworker 1/C	29.57	30.46	31.38	32.33
Meterworker 2/C	27.54	28.37	29.23	30.11
Meterworker 3/C	25.03	25.79	26.57	27.37

**METERING SERVICES**

**Roster 26**

Working Leader	26.92	27.73	28.57	29.43
Meter Worker Associate	26.35	27.15	27.97	28.81
Meter Reader	23.40	24.11	24.84	25.59
Metering Services Rep.	20.43	21.05	21.69	22.35

**Rate for Employees Hired After 3/6/80**

Working Leader	24.85	25.60	26.37	27.17
Meter Worker Associate	24.37	25.11	25.87	26.65
Meter Reader	21.57	22.22	22.89	23.58
Clerk Meter Reading*	22.81	23.50	24.21	24.94

**R-8 OPERATIONS ENGINEERING**

**Technical Support**

Senior Design Technician	32.19	33.16	34.16	35.19
Design Assistant I	27.67	28.51	29.37	30.26
Design Assistant II	25.66	26.43	27.23	28.05

**Locator**

Utility Locator	26.83	27.64	28.47	29.33
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**Clerical**

Operations Clerk	20.43	21.05	21.69	22.35
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\*Incumbent only

**SCHEDULE OF WAGES  
THE NARRAGANSETT ELECTRIC COMPANY  
PROVIDENCE - LOCAL 310**

	<b><u>ULTIMATE WAGE RATE EFFECTIVE</u></b>			
	<b><u>5/12/07</u></b>	<b><u>5/12/08</u></b>	<b><u>5/12/09</u></b>	<b><u>5/12/10</u></b>
<b><u>R-27 AUTO MESSENGER</u></b>				
Auto Messenger	16.09	17.12	17.69	18.28
<b><u>Rate for Employees Hired After 3/6/80</u></b>				
Auto Messenger	14.87	15.83	16.36	16.91
<b><u>R-32 STORES</u></b>				
Material Handler B	30.27	31.18	32.12	33.09
Material Handler*	26.55	27.35	28.18	29.03
Material Handler - Probationary	22.05	22.72	23.41	24.12
<b><u>R-33 FLEET</u></b>				
Working Leader w/certification	34.12	35.15	36.21	37.30
Working Leader	33.48	34.49	35.53	36.60
Auto/Truck Tech. 1/C w/certification	31.76	32.72	33.71	34.73
Auto/Truck Tech. 1/C	31.12	32.06	33.03	34.03
Auto/Truck Tech. 2/C w/certification	27.73	28.57	29.43	30.32
Auto/Truck Tech. 2/C	27.11	27.93	28.77	29.64
Auto/Truck Tech 3/C w/certification	24.84	25.59	26.36	27.16
Auto/Truck Utility Person	23.17	23.87	24.59	25.33
Operations Clerk	20.43	21.05	21.69	22.35
<b><u>R-34 BUILDING MAINTENANCE</u></b>				
Working Leader Bldg. Maintenance	32.88	33.87	34.89	35.94
Building Maint. Worker 1/C	29.50	30.39	31.31	32.25
Building Maint. Worker 2/C	26.64	27.44	28.27	29.12
Building Maint. Worker 3/C	25.26	26.02	26.81	27.62
Building Maint. Helper	23.07	23.77	24.49	25.23
<b><u>R-34A GENERAL LABORER</u></b>				
Laborer General	23.07	23.77	24.49	25.23

\*Incumbent only

**SCHEDULE OF WAGES  
THE NARRAGANSETT ELECTRIC COMPANY  
PROVIDENCE - LOCAL 310**

	<b><u>ULTIMATE WAGE RATE EFFECTIVE</u></b>			
	<b><u>5/12/07</u></b>	<b><u>5/12/08</u></b>	<b><u>5/12/09</u></b>	<b><u>5/12/10</u></b>
<b><u>R-39 TELECOMMUNICATIONS</u></b>				
Lead Technician	36.94	38.05	39.20	40.38
Senior Technician	35.34	36.41	37.51	38.64
Technician 1/C	32.56	33.54	34.55	35.59
Technician 2/C	29.94	30.84	31.77	32.73
Technician 3/C	26.71	27.52	28.35	29.21
Tester	24.17	24.90	25.65	26.42

IN TESTIMONY WHEREOF the parties hereto have caused these presents to be executed by their respective officers hereunto duly authorized this 5<sup>th</sup> day of March 2008.

NATIONAL GRID

LOCAL 310, THE UTILITY WORKERS  
UNION OF AMERICA, AFL-CIO

By \_\_\_\_\_  
Senior Vice President

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Vice President

By \_\_\_\_\_  
Grievance Coordinator

APPROVED:

By \_\_\_\_\_  
National President

By \_\_\_\_\_  
National Business Representative

MEMORANDUM OF AGREEMENT  
BETWEEN  
NATIONAL GRID  
AND  
THE UTILITY WORKERS UNION OF AMERICA  
REGARDING THE EXTENSION OF THE EXISTING LABOR AGREEMENT

National Grid (the "Company") and U.W.U.A. Locals 310, 317, 322, 329, 330 and 369 (the "Union") are parties to agreements made on May 12, 2007 and April 1, 2008, ("Existing Agreements") and have agreed to extend the Existing Agreements and have also agreed on other matters as hereinafter set forth. The terms of the Existing Agreements shall remain in effect for the duration of the extension except as amended below.

1. CONTRACT TERM

The Company and the Union have agreed to enter into a two-year extension of the Existing Agreements dated May 12, 2007 – May 11, 2011 and April 1, 2008 to May 11, 2011 (Contact Center). The extension shall be effective as of May 12, 2011, and shall be binding upon the parties hereto and upon all employees who are subject to its provisions, and it shall remain in full force and effect through May 11, 2013.

2. WAGES

<u>Effective</u>	<u>May 12, 2011</u>	<u>May 12, 2012</u>
General Increase	2.5%	2.5%

3. EMPLOYEE STOCK PURCHASE PLAN

Effective January 1, 2010, employees can elect to participate in the Employee Stock Purchase Plan (ESPP) as outline in Attachment 1.

- A. Eligibility – Regular or Part Time employee who works more than 20 hours per week.
- B. Purchase American Depository Shares (ADS) on monthly basis at 10% discounted price.
- C. Each ADS represents five ordinary shares in the Company and are listed on New York Stock Exchange.
- D. Contributions up to 20% of base pay each year.
- E. Plan design in accordance with National Grid ESPP



4. WAGE AND JOB PROTECTION

Effective May 12, 2011, Article VI – Reduction in Forces, Wage Reduction Plan will be modified by moving the job and wage protection date two years for each of the Collective Bargaining Agreements for which this provision applies.

5. EDO OPERATING MODEL

This new operating model will provide viable improvements and efficiencies necessary to enhance customer service, reliability and cost reduction. The Agreement provides for no layoff of employees affected directly or indirectly (due to bumping) as a result of moving to the new operating model.

In the event an employee directly impacted by the new operating model bumps into a different roster not impacted by EDO Transformation, the Company may elect at its sole discretion to make the Attached VERO and/or Severance available to the employees in the impacted roster on a one for one basis – Company seniority will be used to determine eligibility. The Company may exercise this offer through 12/1/10. The Company may extend this period upon request for up to one (1) year. In no case will the Company be able to offer this option as a result of this Agreement past 12/1/11.

6. EMPLOYEE IMPACT PROGRAMS

Incentives to encourage employees to fill positions at the Reservoir Woods, Waltham facility, are outlined in Attachment 2 (Incentives). Benefits to employees who are impacted by the EDO initiatives are outlined in Attachment 3 (VERO) and Attachment 4 (Severance).

7. STAFFING

Attachment 5a is the initial staffing levels for Central Design and Field/Regional Design offices. Attachment 5b is the initial staffing level for Customer Order Fulfillment. The Attachment as well as staffing levels that were provided during these negotiations as examples are not to be construed as guaranteed staffing levels for these rosters.

8. RESERVOIR WOODS

A. The filling of Senior Designer, Designer A, Designer B. Order Processing Representative A, Order Processing Representative B., Customer Connections Representative A, and Customer Connection Representative B positions at

Reservoir Woods, Waltham, shall be represented for the purposes of wage hours and working conditions by UWUA Local 369. These positions will be incorporated into the existing Local 369 Collective Bargaining Agreement into two (2) rosters – one (1) for Central Design and one (1) for the Customer Order Fulfillment. These positions will receive the follow additional rights.

1. Any employee from any other National Grid Company who is a member of any represented work unit shall enjoy unimpaired Company seniority rights upon accepting a position at Reservoir Woods. Any employee who accepted a position in the centralized Customer Order Fulfillment or Design from a represented position, prior to the signing of this agreement will have their time bridged. Non-represented employees, who are currently an incumbent in one of these positions, will receive a seniority date of March 31, 2009 or their hire date whichever is shorter.
2. Any UWUA employee filling a position at Reservoir Woods shall retain a one-time bid back, to their original local and original classification or equivalent with unimpaired Local seniority rights after the job is posted and prior to the courtesy posting process.
3. Any UWUA employee filling a position at Reservoir Woods shall retain the rights back to their original Local and into any represented classification with unimpaired Company seniority rights for all job postings prior to a courtesy posting for a two-year period which is equal to recall rights in their applicable principal agreement.
4. Any Operations Clerk, Distribution Design Engineer, Sr. Design Technician or Design Assistant accepting a position at Reservoir Woods, their hourly rate shall be that of the classification at Reservoir Woods or their current rate whichever is higher and shall retain that rate if they return to the prior local in an equivalent classification.
5. Filling Positions at Reservoir Woods - Waltham

The initial staffing of represented Customer Order Fulfillment and Centralized Design positions at Reservoir Woods, Waltham facility, will follow the Courtesy Posting provision of the principal agreements, and these positions will be awarded to the most senior highest rated qualified candidates meeting all of the job requirements.

The filling of positions will be on a volunteers basis for the period 10/1/09 to 12/1/09. Employees volunteering will establish a classification seniority date of 3/31/09 and be slotted by their overall seniority based on Company time. The Union will work with Company to encourage volunteers.

After 12/1/09, in accordance with the Distribution Design Engineers (DDE's) Agreement, excess DDE's will be directed to report to Waltham by seniority, junior employees compelled to move after exercising bumping rights prior to being forced to Waltham. Forced employees will remain eligible for programs – Re-Location, Incentive, Commute. Employees forced will establish a classification seniority date on the date of forced assignment to Waltham. Employees will be given thirty (30) days notice prior to being moved to Waltham.

The Company may force DDE's for one year through 12/1/10. Either the Company or Union may extend this period upon request for up to one (1) year. In no case will the ability to force as a result of this Agreement exceed two (2) years – 12/1/11.

## 9. DESIGN CONSOLIDATION AND CUSTOMER ORDER FULFILLMENT

### Central Design and Customer Order Fulfillment

The Company and the Union agree to the modified job specification to support Centralized Design and Customer Order Fulfillment roles. Attachments 6 through 9 describe the job descriptions, wages and classifications for Centralized Design and Customer Order Fulfillment.

- A. The Centralized Design role will be a progression position. The entry level position for this Centralized Design role will be Centralized Designer A, then progressing to Centralized Designer B. The final level of progression will be Senior Centralized Designer. This position is designated to be 20% of Designer A & B positions in the New England region.
- B. Centralized Designers may be assigned to perform field work under the current collective bargaining agreement provisions.
- C. Design Assistants I & II that volunteer to come to Waltham, who are currently enrolled in a two-year technical degree program, at the time of this Agreement, will be eligible for the Sr. Design Technician rate upon completion of all criteria outlined in the current progression agreement.

### Field/Regional Design

The Company and the Union agree to the modified job specification to support Design Investigator (field/regional) roles. Attachments 10 and 11 describe the job descriptions, wages and classifications for the Design Investigator roles.

- A. The Design Investigator role will be a progression position. The entry level position for this Design Investigator role will be Design Investigator A, then

progressing to Design Investigator B.. The final level of progression will be Senior Design Investigator. This position is designated to be 20% of the Design Investigator A & B positions in New England.

- B. Incumbents, who remain in the regional offices, will retain their current titles. Design Assistants and Sr. Design Technicians will not be forced out of their Local Union or current position. Assignment for Centralized Design versus Design Investigator in local field offices will be determined by the Company.
- C. Eliminate all limitations on site visits that are contained in Attachment I, Section IV, Alignment of Work, Item D., of the Memorandum of Understanding dated May 14, 2007. Any and all site visits will be determined by the Company.
- D. Design Assistants I & II, who are currently enrolled in a two-year technical degree program, at the time of this Agreement, will be will be eligible for the Sr. Design Technician rate upon completion of all criteria outlined in the current progression agreement.

#### 10. CLERICAL CONSOLIDATION

The Company will centralize the Electric Distribution Operations (EDO) Clerical Functions to the Syracuse New York facility. The affected clerical functions are within the following departments:

- Electric Distribution Underground Lines
- Electric Distribution Design Engineering
- Electric Distribution Sub Station
- Electric Distribution Overhead Lines

The centralization of the work will be in a phased approach, by region and by the task being performed. This work migration schedule is described in Attachment 12.

The migration of the clerical work from New England to Syracuse, NY, will begin with time entry, work order completion, work order closeout, and as-builts. As this work is sent to upstate New York, the remaining tasks that remain in the field will be reallocated to those clerical staff in the divisions and work assignments shall not be restricted by Union jurisdiction.

As the migration plan matures, the remaining tasks that were reallocated within the divisions will continue to be migrated to upstate New York. These tasks are considered to be but not limited to:

- Property Damage Reports
- Express Billing for temporary services

- Verizon – Intercompany billing, processing of Joint Ownership – Exchange of Notices
- Pole Life Maintenance (PLM)- data entry
- Easement and Public pole petition license processing
- People Soft – invoice receipt and payment
- Street Light Out (SLO) – data entry and repair order closeout
- Initiate and complete confirming work orders
- ARCOS updates

As the work is migrated to upstate New York, the Company will evaluate its staffing requirements in the divisions and notify the Union of when a displacement is required.

#### Side Agreements

- Local 310 Design and Clerical Agreement – Attachment 13.
- Local 329 Clerical Agreement – Attachment 14
- Local 330 Clerical Agreement - Attachment 15
- Local 369 Clerical Agreement – Attachment 16

### 11. WORK READINESS TECHNICIAN

The Company and the Union agree to the terms and conditions of job description for Work Readiness Technician as described in Attachment 17. The Company agrees to post a total of 15 positions in various U.W.U.A. locations – Attachment 18.

#### Shifts – Work Readiness

Shifts will be scheduled within the following time bands:

AM Shift: 00:01 to 12:00.

PM Shift: 12:01 to 24:00.

On a permanent or seasonal basis, the Company may post revised schedules within the above time bands with 45 days notice. Schedule changes may also be implemented on shorter notice by mutual agreement.

### 12. ON THE JOB TRAINING FIELD CHECK LIST

Proficiency check lists presently exist for all levels of progression for the Overhead Line Workers(OHL), Underground Cable Splicers(UGL), and the Substation/O&M

Workers (SUB). On the Job Training (OJT) proficiency checklists will be completed in a collaborative effort between the OHL Crew Leader, UGL Lead Splicer, or Substation Working Leader and the respective Performance Supervisor. See Attachment 19 for an example of a check list.

### 13. BUNDLED TRAINING

The Company will implement Bundled Training consistent with current training and ARCOS Agreements.

### 14. PROCESS CHANGES

Employees signing the time sheet will become standard practice for all employees.

### 15. MAKE TAPS PERMANENT

On single phase overhead service upgrades up to and including 200 amp services that do not require a change in the point of attachment, or a change in our service cable, will be expedited by eliminating Overhead Line personnel making the final connections. The Company will rely on the municipal inspectors and the respective electrician to ensure the connections are removed and reinstalled in full compliance with the appropriate state, local, NEC rules and guidelines along with National Grid Standards.

Qualified National Grid employees, including Metering Services representatives will be trained, qualified, and have the ability to, where appropriate, to perform the final check upon visiting the site to check/ re-seal the meter.

### 15. GRIEVANCES

As a result of the Agreement, the Union agrees to withdraw any and all EDOT grievances and/or charges.

Neither the Company or Union relinquishes any rights as a result of entering into this Agreement. This Agreement is without practice or precedent and will not to be cited by either party in any other matters with the exception of matter directly related to this Agreement.

## **Listing of Attachments UWUA EDO Transformation MOU**

<b>Attachment Number</b>	<b>Title</b>
1	Employee Stock Purchase Plan
2	Incentive to go to Waltham
3	VERO
4	Severance
5a	Initial Staffing Levels Design
5b	Initial Staffing Levels Customer Order Fulfillment
6	Central Designer A&B Job Description
7	Central Sr. Designer Job Description
8	Order Processing Rep A&B Job Description
9	Customer Connections Rep A&B Job Description
10	Design Investigator A&B Job Description
11	Sr. Design Investigator Job Description
12	Clerical Migration Schedule
13	Local 310 Design and Clerical Agreement
14	Local 329 Clerical Agreement
15	Local 330 Clerical Agreement
16	Local 369 Clerical Agreement
17	Work Readiness Tech Job Description
18	Work Readiness Tech Quantity and Location Chart
19	On the Job Training Field Check List

ATTACHMENT 1

## Uniting Excellence & Reward

# Employee Stock Purchasing Plan



national**grid**

The power of action.™



December 2008

Dear Colleague,

NATIONAL GRID plc EMPLOYEE STOCK PURCHASE PLAN

I am pleased to announce the launching of another key component of our Total Rewards package, the National Grid plc Employee Stock Purchase Plan (ESPP). Available beginning January, 2009, the ESPP offers employees the opportunity to purchase American Depository Shares (ADSs) on a monthly basis at a 10% discounted price. The program provides a way to directly participate in the future of National Grid.

Each ADS represents five ordinary shares in the Company and are listed on the New York Stock Exchange. This enables you to receive dividends in US dollars, or participate in a dividend reinvestment program\* and to sell your ADSs on the NY Stock Exchange. By participating in the ESPP, eligible employees have an opportunity to become shareholders in National Grid plc (the Company), sharing in its future success through increased employee ownership.

Under the ESPP you may contribute up to 20% of base pay each year to buy ADSs in the Company. In addition, you will be limited to a maximum annual contribution limit of \$20,000 per year. The Company has appointed Bank of New York Mellon ("BNYM") to administer the ESPP on its behalf. For full details, including important tax information, please see the enclosed employee guide.

To join the ESPP, you first need to decide how much you would like to contribute to the ESPP, bearing in mind the overall limits set out above.

Then you can either register on-line via the BNYM website, or by telephone;

Website Address: <http://bnymellon.com/shareowner/equityaccess>

Telephone No: 866-418-5145

Both methods require an Access ID and a Personal Identification Number (PIN). Your Access ID is your employee ID with National Grid. Your PIN is included in the letter from BNY Mellon enclosed with this package.

Please keep this employee guide and the letter from BNYM in a safe place, as you will require the information contained in both to join the ESPP on-line or by telephone.

The BNYM website will provide you with up-to-date information on your ADS holdings. You will also be able to sell/transfer your shares online.

For any queries about the ESPP, please contact BNYM at 866-418-5145.

Yours sincerely,

Mike Westcott  
Global HR Director

\*A Note Regarding Dividend Reinvestment: Under the ESPP you will receive dividends in cash. In the upcoming months you will receive additional communication on how you can elect dividend reinvestment in the ESPP once BNYM system upgrade is completed. Dividend reinvestment means that any ordinary dividends you receive will be used to purchase additional ADSs under the ESPP at a 10% discount.

## NATIONAL GRID PLC EMPLOYEE STOCK PURCHASE PLAN EMPLOYEE GUIDE

200,000,000 Ordinary Shares, represented by American Depositary Shares

THIS DOCUMENT CONSTITUTES PART OF A SECTION 10(a) PROSPECTUS COVERING SECURITIES THAT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This guide is for information purposes only. In the event of any conflict, the rules of the ESPP document and the legislation take precedence. The Company's directors reserve the right to amend the basis on which the ESPP is operated, subject to their powers under the rules of the ESPP.

Participation in the ESPP is subject to the rules which can be obtained from Bank of New York Mellon, who can be contacted at 866-418-5145, or [www.bnymellon.com/shareowner/equityaccess](http://www.bnymellon.com/shareowner/equityaccess). The Company may, subject to the rules, amend, suspend or terminate all or part of the ESPP at any time. If you have any questions about the ESPP, please contact Bank of New York Mellon.

Participation in, and the operation of, the ESPP will not form part of or affect your contract of employment or your employment relationship, nor will they give you the right to continued employment. Participation in one operation of the ESPP does not indicate that you will participate, or be considered for participation, in any later operations. Specific provisions are included in the rules of the ESPP relating to the exclusions of rights and waiver of claims for the operation of the ESPP. You are not entitled to any compensation or other benefit in respect of the ESPP.

You should remember that the value of ADSs can go down as well as up and past performance in the Company's ADSs is no indication of actual future performance. In making decisions about the ESPP, you are recommended to seek independent professional advice.

References made to taxation consequences are for guidance only.

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The National Grid Employee Stock Purchase Plan (the "ESPP") has been implemented, offering eligible employees the opportunity to purchase American Depository Shares ("ADSs") in National Grid plc (the "Company") at a discounted price to fair market value. Each ADS represents five ordinary shares in the Company. The ADSs are listed on the New York Stock Exchange and this enables you to participate in a dividend reinvestment program or to receive dividends in US dollars, and to sell your ADSs on the New York Stock Exchange.

As with all share purchases, there are risks and you should read this document very carefully before deciding whether to participate in the ESPP. If you are unsure of whether the ESPP is suitable for you, you may wish to consult your own independent financial advisor.

This employee guide describes the current terms of the ESPP. Under the terms of the ESPP, the Company has the discretion to change some of these terms in the future. If a material term changes, you will be notified in writing by the Company.

## **1 OVERVIEW OF THE ESPP**

Every month the Company will offer you the opportunity to purchase ADSs at a 10% discount. Each offer will commence at the beginning of the month (the "Offer Date"). Purchases will automatically be made on a monthly basis in the month following the month of contribution to the ESPP. The price you pay will be 90% of the fair market value of the ADSs on the first available trading day of that month (the "Purchase Date").

If you decide to participate in the ESPP you do not have to apply in relation to each monthly offering - your application automatically applies to all future offers made by the Company until such time as you decide to withdraw from the ESPP.

You can choose to contribute up to 20% of your base pay to purchase ADSs. Your contributions will be deducted directly through payroll and used by the Bank of New York Mellon ("BNYM"), who is the administrator of the ESPP, to purchase the ADSs. The ADSs will be held in a personal BNYM book entry account. You can sell the shares at any time but there are tax benefits associated with holding your ADSs for at least 2 years from the Offer Date. Please see the Tax Appendix for further details.

You can choose to take any dividends you receive on your ADSs in cash, or to reinvest them into further ADSs at a 10% discount (see Section 9 for further details).

All queries relating to the ADSs you hold under the ESPP should be referred to BNYM. Contact details are shown below and in Section 12.2.

The Plan is not subject to the Employee Retirement Income Security Act of 1974 ("ERISA") and is not qualified under Section 401(a) of the Internal Revenue Code. The plan is intended to qualify under Section 423 of the Internal Revenue Code, which allows employees to purchase stock at a discount without immediate taxation on the amount of the discount if certain requirements are met.

## **2 ELIGIBILITY**

In order to participate in the ESPP, you must be employed by a participating subsidiary, as approved by the Company, for more than 20 hours per week and have been employed for at least 3 months as of the Offer Date. Additionally, if you are employed by a participating company as a full time, part time or temporary employee, and you are at least 18 years old and meet this criteria, you are eligible to join. The company is extending the offer of participation in the ESPP to all eligible; however, due to the nature of collective bargaining, certain of our bargaining employees will be able to participate only when permitted as a result of the bargaining process.

## **3 HOW TO APPLY**

You will be sent a welcome letter by BNYM if you are eligible to participate in the ESPP. Please follow the instructions in the letter to enroll in the ESPP.

If you choose to enroll in the ESPP online you will need your Access ID, which is your Employee ID preceded by NGG and the Personal Identification Number (PIN) included in your welcome letter from BNYM. Or if you enroll by telephone you will need your Access ID without the NGG, and the Personal Identification Number (PIN), once you have successfully enrolled, you will receive a confirmation from BNYM.

Once you have enrolled, the application will apply to all future monthly Offers until you provide BNYM with notice that you intend to change, restart or stop your contributions (see Section 6.2).

Participation in the ESPP is entirely voluntary. If you decide not to participate at this time, you may join at any time during the life of the ESPP. Deductions will then be taken as soon as practicable from your pay and will be shown on your paystub.

#### 4 SO WHAT ARE THE BENEFITS OF PURCHASING ADSs THROUGH THE ESPP?

- You will become a shareholder in the Company sharing in the Company's future performance.
- You will receive a discount on the market value of the ADSs at the time of the purchase.
- You will receive any dividends on your ADSs and have the ability to reinvest them in new ADSs, again at a discounted price.
- There is electronic crediting of shares (no certificates).
- There are tax advantages if you hold your ADSs for 2 years from the Offer Date.

#### 5 AND WHAT ARE THE RISKS?

You should remember the value of ADSs can go down as well as up and past performance in the Company's ADSs is no indication of actual future performance. In making decisions about the ESPP, it is recommended you seek independent professional advice.

#### 6 CONTRIBUTIONS

Contributions will be deducted directly from your pay in accordance with your usual pay cycle. You can choose to invest up to 20% of your base pay in the ESPP, provided that for each calendar year the maximum number of ADSs you purchase cannot exceed in aggregate \$22,222 of the fair market value of ADSs. This \$22,222 purchase limit includes the 10% discount contributed by the Company on your behalf. In order to ensure that total contributions to the ESPP do not exceed this maximum purchase limit, your contributions to the plan will be limited to \$20,000 annually.

Base pay does not include any overtime, standby time, call out time, bonuses or other expenses and benefits-in-kind.

#### CONTRIBUTIONS CALCULATOR

Are you Paid?	Maximum Contributions
Weekly	Base weekly rate x 20%
Biweekly	Base biweekly rate x 20%
Monthly	Base monthly rate x 20%

*Your contributions cannot exceed \$20,000 per year*

##### 6.1 Use of deductions

Your payroll deductions will be accumulated by the Company and transmitted to BNYM. BNYM will purchase ADSs on your behalf on the open market on a monthly basis. The number of ADSs purchased will depend upon the amount of the contribution you make and the price at which your ADSs are acquired under the ESPP.

Please note: the ADS price used is for example purposes only and is not an indication of the price at which your ADSs will be purchased.

	Monthly Contribution	Fair Market Value of ADSs on Purchase Date	Discounted purchase Price 90% of Fair Market Value	No of ADSs Purchased
Month 1	\$525.00	\$71.73	\$64.56	8.13
Month 2	\$525.00	\$70.24	\$63.22	8.30
Month 3	\$525.00	\$72.07	\$64.86	8.09
Month 4	\$525.00	\$73.58	\$66.22	7.93
Month 5	\$525.00	\$71.97	\$64.77	8.11

If your payroll administrator advises BNYM that you have contributed more than 20% of your base pay or purchased more than the \$20,000 limit in any one calendar year, the excess will be returned to you.

Where employees are paid weekly, biweekly and hourly, monies deducted from pay will be accumulated by payroll and remitted to BNYM on a monthly basis just as for monthly paid employees.

You must remain an eligible employee of a participating company in order to be able to purchase ADSs under the ESPP. Your ADSs will be automatically purchased on your behalf on the monthly Purchase Date. Once your ADSs have been awarded to you, you will receive any dividends on these ADSs, which you can then reinvest in additional ADSs (see Section 9 for further details).

## 6.2 Changing, stopping or restarting contributions

The ESPP has been designed to be as flexible as possible.

You may change the amount of your contributions by contacting BNYM (see below and Section 12.2 for contact details). The revised amount must still be within the overall limits set out above. The change will then be effective as soon as practicable.

You may also stop or restart contributions at any time by contacting BNYM (see below and Section 12.2 for contact details).

## 6.3 Rights nontransferable

Your right to purchase ADSs under the ESPP cannot be sold, pledged, assigned or transferred in any manner.

## **7 SPECIAL CIRCUMSTANCES**

### **7.1 Leaving employment**

If you cease to be an employee of the National Grid group, any outstanding contributions will be invested in your account.

Any ADSs must be removed from your ESPP account at BNYM within 90 days of ceasing employment. Following this, you can transfer the ADSs to another BNYM account, transfer them to another brokerage account, or sell them. BNYM will provide you with details of your choices shortly after you cease employment.

### **7.2 Transfer to a company which is not a participating company**

Notwithstanding Section 7.1, if your employment is transferred to another company within the National Grid group which is not designated as a participating company, your contributions which have already been deducted from your pay will be used to purchase ADSs in the usual way and the ADSs will continue to be held on your behalf. However, no further contributions can be made once you cease to be employed by a participating company and no dividends can be reinvested in the ESPP.

### **7.3 Leave of absence**

While you are still receiving pay, your contributions will, unless you instruct otherwise, continue. During that period, you may choose to stop or amend your contributions. Once you are on unpaid leave of absence, including for example unpaid family leave or long term sickness, contributions will cease because you have no pay from which contributions may be made. However, your contributions will restart on your return.

### **7.4 Any changes to the structure of the Company (e.g. take-over, reorganization, etc)**

Your rights in any such circumstances are governed by the rules of the ESPP. You will be provided with full details of the impact of any such changes to your rights under the ESPP if such a situation occurs.

## **8 SALE OF ADSs**

You are free to sell some or all of your ADSs at any time by contacting BNYM (see below and Section 12.2). If you have been notified that you are subject to the National Grid Share Dealing Code, you will need to seek prior clearance from Company Secretariat before selling any ADSs.

Please note that if you sell your ADSs before they have been held for at least 2 years from the Offer Date, the tax treatment on any gain made will be different to that which applies if you do hold the ADSs for at least 2 years and may not be as beneficial. Please see the Tax Appendix for further details.

## **9 DIVIDENDS**

You will be entitled to any ordinary dividends, which may be paid by the Company in respect of all your ADSs purchased under the ESPP and held on the relevant date (known as the "Record Date"). National Grid ordinary dividends are normally paid twice a year, in January and August.

A Note Regarding Dividend Reinvestment: Under the ESPP you will receive dividends in cash. In the upcoming months you will receive additional communication on how you can elect dividend reinvestment in the ESPP once BNYM system upgrade is completed. Dividend reinvestment means that any ordinary dividends you receive will be used to purchase additional ADSs under the ESPP at a 10% discount.

At this point if you elected dividend reinvestment it will mean that any ordinary dividends you receive will be automatically used to purchase additional ADSs under the ESPP at a 10% discount. National Grid will pay broker's dealing costs in respect of the purchase of these ADSs. This will result in the entire dividend going directly towards the purchase of ADSs. These ADSs will be subject to the ESPP in the same way as the ADSs purchased from pay. Please contact BNYM (see below and section 12.2) for further information if you are interested in the dividend reinvestment option.

If you are subject to the National Grid Share Dealing Code, you do not need to seek prior clearance from Company Secretariat to participate in the dividend reinvestment element of the ESPP.

## **10 TAXATION**

Details on the taxation implications of purchasing ADSs under the ESPP are set out in the Tax Appendix.

## 11 OPERATION OF THE ESPP

This employee guide is provided for information purposes only and should not be regarded as a definitive description of the ESPP. Nothing in this guide, or any other document relating to the purchase of ADSs, amends the rules of the ESPP or creates, or is intended to create, any legal obligation.

Participation in the ESPP is subject to the rules of the ESPP which can be obtained from BNYM by contacting them at either the phone number or the email address provided below and in section 12.2. The Company may, subject to the rules, amend, vary, suspend or terminate all or part of the ESPP at any time.

## 12 ADMINISTRATION

### 12.1 ADS Statements

A statement will be sent to you quarterly from BNYM which will show the following information:

12.1.1 the number of ADSs purchased for you, including any ADSs purchased with cash dividends;

12.1.2 the date and price at which the ADSs were purchased.

12.1.3 any sale transactions which you initiate, including the date of sale, the number of ADSs sold and the sale price

If you contact BNYM or visit the website (see below for details) you will also be able to obtain the above information.

### 12.2 The Administrator

The Company has contracted with BNYM, a leading provider in stock plan administration, to serve as the transfer agent and to purchase the ADSs on your behalf. BNYM's responsibilities include investing payroll deductions, processing employee sales requests, maintaining employee account information, sending account statements to ESPP participants and performing other clerical and administrative duties relating to the plan.

All matters relating to the cash and ADSs you hold under the ESPP should be referred to the Administrator, BNYM, whose contact details are as follows:

Bank of New York Mellon can be contacted at 866-418-5145 or via the web at <http://bnymellon.com/shareowner/equityaccess>

### 12.3 Dealing costs

The Company will pay all administrative expenses in the purchase of ADSs. You will however be required to pay dealing costs to BNYM if you decide to sell your ADSs. Here is a breakdown of the costs that you may potentially incur:

### Shareowner Transaction Fees\*

	Fees Paid By National Grid Employees
Dividend Reinvestment Fee	Not Applicable
Purchase of share	Not Applicable
Broker fee for share purchase	Not Applicable
Sale of shares	\$20.00 per transaction
Broker fee for share sale	\$ 0.05 per share
Replace Dividend check	Waived
Replace 1099	Waived
1099 prior to last calendar year	Waived
Returned checks	Waived
<b>Ancillary Service Charges</b>	
Customer Service Representative - Assisted Transaction	\$30.00 (in addition to Transaction fee)
Limit Orders	\$ 5.00 per transaction
Foreign Currency Check Disbursement	\$10.00 per non \$USD check
Wires (Domestic and International)	\$25.00 per wire

\*Fees shown are current at December 2008 and may be subject to change in the future.



### 13 FINDING MORE INFORMATION

The Company files current reports on Form 6-K and other information with the SEC. You may read and copy any of these documents at the SEC's public reference rooms in Washington, D.C., New York, New York and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. Our SEC filings are also available to the public on the SEC's web site at <http://www.sec.gov>.

The Company filed a Registration Statement on Form S-8, as amended, with the SEC covering the ADSs. For further information on us and the ADSs, you should refer to the registration statement, as amended, and its exhibits. As the prospectus may not contain all the information that you may find important, you should review the full text of these documents. We have included copies of these documents in an exhibit to our Registration Statement, as amended, of which this prospectus is a part.

The SEC allows us to "incorporate by reference" the information that we file with the SEC, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus and later information that we file with the SEC will automatically update and supersede this information. To the extent designated therein, any reports on Form 6-K furnished to the Commission shall be deemed to be incorporated by reference in this Registration Statement from the date that such reports are furnished to the commission. We incorporate by reference the documents listed below and any future filings made with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934, until all of the securities are sold:

- (a) the Company's Annual Report on Form 20-F for the fiscal year ended March 31, 2008, filed with the Commission on June 17, 2008 (SEC File No. 001-14958), pursuant to Section 13 of the Securities Exchange Act of 1934, as amended (the Exchange Act);
- (b) the Company's Report on Form 6-K filed on November 14, 2007; and
- (c) the description of the Company's American Depositary Shares and Ordinary Shares as contained in its Registration Statement on Form F-4 (File no. 333-47324) filed on, October 4, 2000, including any amendment subsequently filed for the purpose of updating such description.

You may request a copy of these filings free of charge over the Internet in the Investor Relations section of our web site at <http://www.nationalgrid.com> or by writing or telephoning us at the following address:

National Grid plc  
Investor Relations  
Floor 4  
1-3 Strand  
London WC2N 5EH  
Tel: +44 (0)20 7004 3000 (main switchboard)

Investor Relations direct:  
Tel: +44 (0) 20 7004 3196  
Fax: +44 (0) 20 7004 3167  
Email: [investor.relations@ngrid.com](mailto:investor.relations@ngrid.com)

You should rely only on the information incorporated by reference or provided in this prospectus or any supplement. We have not authorized anyone else to provide you with different information.

THE COMPANY HEREBY UNDERTAKES TO PROVIDE WITHOUT CHARGE TO EACH PERSON TO WHOM A COPY OF THIS PROSPECTUS HAS BEEN DELIVERED, UPON THE WRITTEN OR ORAL REQUEST OF ANY SUCH PERSON, A COPY OF ANY OR ALL OF THE DOCUMENTS AND EXHIBITS REFERRED TO ABOVE WHICH HAVE BEEN OR MAY BE INCORPORATED BY REFERENCE IN THIS PROSPECTUS, OR THAT WE ARE REQUIRED TO DELIVER TO EMPLOYEES PURSUANT TO RULE 423(b) OF THE SECURITIES ACT.

## TAX APPENDIX

US IRS Circular 230 Disclosure: Any US tax advice contained herein and in any attachments is not intended or written by us to be used and it cannot be used by any person, for the purpose of avoiding US tax penalties that may be imposed on any person. Any such US tax advice was written to support the promotion or marketing of the transaction(s) or matter(s) addressed by it. Each person should seek US tax advice based on the person's particular circumstances from an independent tax advisor.

### 1 Tax information

Please note the taxation information provided below is a summary of the US Federal tax implications for employees who participate in the ESPP and who are and have at all material times been US citizens residing in the US. It reflects our understanding of the law as at 15 May 2008 and is for general guidance only. Tax law and tax rates are subject to change. If you are in any doubt as to your personal tax position you should take appropriate professional advice.

#### 1.1 Purchase of ADSs

The purchase of ADSs does not give rise to any tax liabilities.

#### 1.2 Sale of ADSs

The tax consequences on the sale of your ADSs will depend on how long you hold them for:

##### 1.2.1 ADSs held for less than two years from the Offer Date

You will recognize ordinary income in the year of sale equal to the difference between the fair market value (FMV) of the ADSs on the Purchase Date and the price which you paid for the ADSs.

Any additional gain on the sale of your ADSs will be a capital gain (which will be a long-term gain if you have held the ADSs for at least one year from the Purchase Date).

##### 1.2.2 ADSs held for at least two years from the Offer Date

You will recognize ordinary income in the year of sale equal to the lower of:

- The difference between the FMV of the ADSs on the date of sale and the price which you paid for the ADSs (Method 1); and
- The difference between the FMV of the ADSs on the Offer Date and the price which you paid for the ADSs (Method 2).

Any additional gain on the sale of your ADSs will be a long-term capital gain.

##### *Example:*

FMV on the Offer Date: \$75 per ADS

FMV on the Purchase Date: \$80 per ADS

Purchase price: \$72 (\$80 less 10%)

Sale price: \$85 per ADS

##### *Example 1a:*

You sell your ADSs 6 months after the Purchase Date. You will recognize ordinary income of \$8 per ADS (\$80 - \$72) and a short-term capital gain of \$5 per ADS (\$85 - \$80).

##### *Example 1b:*

You sell your ADSs 36 months after the Purchase Date. You will recognize ordinary income of \$3 per ADS (\$75 - \$72) (which is less than Method 1 (\$85 - \$72 = \$13)) and a long-term capital gain of \$5 per ADS (\$85 - \$80).

Please note the tax treatment will need to be considered in relation to each monthly purchase of ADSs because each monthly purchase constitutes a new offer by the Company. The sale of ADSs will be treated on a "First in First Out" basis.

#### 1.3 Withholding

No withholding will apply to the sale of your ADSs.

#### 1.4 Dividends

Dividends will be taxed as capital gains if your ADSs are held for 61 or more days in the 121 day period beginning 60 days before the relevant ex-dividend date; otherwise dividends are subject to tax at ordinary income tax rates.

## Attachment 2

### **Commute and Relocation Incentives UWUA Local Unions 310, 317, 322, 329, 330 & 369 (AFL-CIO)**

As an incentive to encourage affected employees in the EDO Design and EDO Clerical departments to accept positions at the Reservoir Woods facility, 40 Sylvan Road, Waltham, and to provide compensation for work location change of the Map and Records Techs to 55 Bearfoot Road, Northborough, the Company will make the following one time payments, before applicable taxes:

- a. One-time incentive payments, before taxes, to be paid upon reporting to the Reservoir Woods facility only:
    1. \$2,500.00 initially reporting
    2. \$2,500.00 6 months of active employment
    3. \$5,000.00 12 months of active employment
  - b. Commuting allowance paid on initial reporting to the Reservoir Woods or Northborough facilities based on the schedule below:
    - i. Less than 30 miles – no compensation
    - ii. Thirty (30) miles to a maximum payment of seventy-five (75) miles, a multiplying factor of \$70 X (times) one-way commute miles from primary residence to reporting location (either Reservoir Woods or Northborough) will be used to calculate a commuting allowance.
- Note: The commuting allowance must be repaid to the Company on a full month prorate basis if the employee returns to their previous work location within 12 months.
- c. \$5,000.00 (less applicable taxes) if the employee's current principal residence is more than 50 miles from the new reporting facility and the employee relocates their principal residence to within 35 miles of the facility and the move does not involve the purchase of a principal residence.
  - d. \$15,000.00 if the employee's current principal residence is more than 50 miles from the facility and the employee relocates to within 35 miles of the facility and the move involves the purchase of a principal residence.
  - e. An employee who initially elects to relocate to a primary residence (rental) and within one year from the start date of their new position and location secures a purchase of primary residence, will be eligible to receive the \$10,000 difference in benefit
  - f. Items c and d. above expires twenty-four (24) months after reporting to the Reservoir Woods, Waltham Facility.
  - g. Mileage distances to be calculated by Rand McNally, "Shortest Time".

### Attachment 3

#### **Targeted Voluntary Early Retirement Offer - VERO UWUA Local Unions 310, 317, 322, 329, 330 & 369 (AFL-CIO)**

Contingent on the acceptance by the Union, the following Targeted Voluntary Early Retirement Offer would be offered to members of UWUA Local Unions 310, 317, 322, 329, 330 & 369 who are directly or indirectly impacted by EDO Transformation initiatives in the EDO Design, EDO Clerical rosters and for field Stores only locals 310, 330 and 369.

**Eligibility:**

Age 55 with at least 10 years of pension service by December 31, 2010.

**Pension Enhancement:**

Multiplier - 2 weeks per full year of pension service – no cap.

Option to receive enhancement in a lump sum or annuity

Retiree Health – eligible at age 55. Co-pay will follow the current applicable collective bargaining agreement.

Retiree Life will follow the current applicable collective bargaining agreement.

Agreement and Release of Claims required.

Enrollment will be a minimum of 45 days with a seven-day rescission period. The actual opening of the Enrollment period should be no later than TBD.

Based on an enrollment opening of TBD, retirements under the VERO will be scheduled between TBD and December 31, 2010, at management discretion. Employee must be age 55 to qualify for release. “Rule of 85” early retirement reduction factors will be used at any release date if the 85 points are achieved by employee’s release date.

Job search assistance for a thirty (30) day period through Lee Hecht Harrison or other suitable provider will be provided following the waiting period after release.

Group meetings will be held regionally during the enrollment period to explain the VERO.

#### Attachment 4

### **PROPOSAL - ENHANCED SEVERANCE PLAN UWUA Local Unions 310, 317, 322, 329, 330 & 369 (AFL-CIO)**

Contingent on the acceptance by the Union, the following Enhanced Severance Plan would be offered to members of UWUA Local Unions 310, 317, 322, 329, 330 & 369 who are directly or indirectly impacted by EDO Transformation initiatives in the EDO Design, EDO Clerical rosters and for field Stores only locals 310, 330 and 369.

1. Two weeks pay per full year of service, six weeks minimum, no maximum. All payments of this benefit and those below are subject to appropriate taxes.
2. Retraining or educational reimbursement up to \$4,000.00 during the first year following severance date.
3. Company will provide twelve (12) months of health care and dental with the cost shared 80% Company and 20% employee, or six (6) month opt out paid as a lump sum.
4. All current year unused vacation and floating holidays plus any accrued vacation for the following year will be paid out per the collective bargaining agreement.
5. Group meetings held regionally during the enrollment period to explain the Severance Plan.
6. Group meetings held regionally with employees age 55 or older, during the enrollment period for retirement explanation.
7. Up to 18 month release period by canvas and seniority within classification, under the program.
8. 30 day notification to Union Leadership prior to release.
9. Job search assistance for a thirty (30) day period through Lee Hecht Harrison or other suitable provider
10. If an employee receives Plan benefits and is subsequently re-hired by a National Grid Company within twelve (12) months of the Designated Severance Date, the employee will be required to repay the portion of the severance pay, including the employer Health Care contribution supplement that is attributable to the period beyond their hire date, if any.
11. In the event that severance needs to be recovered, the recovery shall occur at the rate of \$50 per week, except if such rate does not complete the recovery within one year, in which case the weekly rate of recovery will be the total amount due divided by 52.
12. Additionally, any directly effected employee of the EDO Design, or EDO Clerical field Departments who has decided to report to a position offered under the job security provision, or bumped to a position within their Local, and within the first six months after reporting, decides for whatever reason, that they would rather take the voluntary severance program instead, may do so.

Initial Staffing Level Design

**Attachment 5a**

Local	Current Number of DA / SDT	Current Number of DDE	Location	Position	Future Number of DA /SDT	Future Number of D.D.E.
369	0	0	Waltham	Central Design	17	24
310	9	7	Providence	Central Design	14	2
				Design Investigator	4	2
	2	2	Middletown	Design Investigator	1	0
	5	4	North Kingstown	Design Investigator	1	1
	5	4	Lincoln	Design Investigator	1	1
317	2	3	Beverly	Design Investigator	1	1
322	1	0	Monson	Design Investigator	1	0
		2	**Northampton	Design Investigator		1
329	5	4	Hopedale	Design Investigator	4	1
	1	3	Attleboro	Design Investigator	0	1
		2	**Somerset	Design Investigator		0
	1	1	Marlboro	Design Investigator	0	0
330	7	7	Worcester	Design Investigator	2	2
	3	2	Leominster	Design Investigator	1	0
	1	0	Athol	Design Investigator	1	0
369	4	10	Brockton	Design Investigator	3	2
	1	4	Hanover	Design Investigator	0	1
	6	5	Malden	Design Investigator	2	1
		9	**North Andover	Design Investigator		1
		2	**Lebanon, NH	Design Investigator		1
			** Incumbent Design Assistant Roster are IBEW Members so their numbers are not reflected in these counts			

Initial Staffing Levels Customer Order Fulfillment

**Attachment 5b**

Local	Location	Position	Number of Employees Hired to Date	Number of Positions to be filled
369	Waltham	Order Processing Rep A	5	9
		Order Processing Rep B		
		Customer Connections Rep A	13	5
		Customer Connections Rep B		

## ATTACHMENT 6

<b>Business Unit</b>	US Electricity Distribution Operations (EDO)
<b>Department</b>	Distribution Design
<b>Grade</b>	Designer A \$27.23/hr Designer B \$29.37/hr
<b>Job Title</b>	Designer A & B
<b>Reports to</b>	Distribution Design Supervisor
<b>Location</b>	Centrally Located
<b>Job Purpose</b>	Design and assist with the design of electric distribution projects in a central office based environment. Design packages will sometimes be self generated and sometimes be developed using design details collected from a field designer. The designs are based on new customer connections, overhead and underground electric facilities, distribution system improvement projects, public works projects and routine program work.
<b>Key Accountabilities</b>	<ul style="list-style-type: none"> <li>• Apply acquired knowledge of National Grid construction standards, Electrical Service Information and Requirements, and portions of the National Electric Code and National Electrical Safety Code to construction applications.</li> <li>• Read and interpret one-line diagrams, site plans and load information.</li> <li>• Perform analysis of electrical distribution design problems.</li> <li>• Be proficient in the current expanded Work Management Systems required to produce and progress Design Packages.</li> <li>• Effectively communicate with external customers, municipal and regulatory representatives, and contractors on a regular basis.</li> <li>• Advise customers in the proper application of their electric service.</li> <li>• Interact with internal departments and company employees to ensure an efficient overall process.</li> <li>• Promote a culture of teamwork, collaboration, and efficient resource utilization, both throughout the department and project teams.</li> <li>• Participate in the training of employees.</li> <li>• Will also be expected to respond to emergency call out and work extended and planned hours when major company emergencies occur. Emergency roles could include internal Trouble/Dispatch room assignments or external field support roles.</li> </ul>
<b>Knowledge &amp; Experience</b>	<ul style="list-style-type: none"> <li>• Knowledge of electric theory and utility construction practices. Ability to learn the current Work management Systems. Understanding of local municipality regulations and permit requirements. Ability to work successfully as part of a team with co-workers. Ability to develop positive customer relations; anticipate, identify, respond to both internal and external customer concerns and problems, in accordance with the job description and training. Oral and written communication and interpersonal skills.</li> </ul>
<b>Qualifications</b>	<ul style="list-style-type: none"> <li>• An Associates of Science degree in Engineering, Engineering Technology or Computer Science from an accredited engineering or technological school is required.</li> <li>• Must have passed Aptitude test.</li> <li>• Designer A's who meet all job requirements and have two years of satisfactory performance will be eligible for promotion to Designer B.</li> <li>• Ability to follow prescribed standards and procedures.</li> <li>• Verbal and written communication skills</li> <li>• Ability to plan, schedule &amp; coordinate multiple ongoing tasks.</li> <li>• Must be able to adjust to changing priorities and respond to requests in a timely fashion.</li> </ul>
<b>Dimensions</b>	It is anticipated that 80% of the Designer work force shall be this classification (Designer A & B).



## ATTACHMENT 7

<b>Business Unit</b>	US Electricity Distribution Operations (EDO)
<b>Department</b>	Distribution Design
<b>Grade</b>	\$34.16/ hr
<b>Job Title</b>	Sr. Designer
<b>Reports to</b>	Distribution Design Supervisor
<b>Location</b>	Centrally Located
<b>Job Purpose</b>	Design electric distribution projects in a central office based environment. Design packages will sometimes be self generated and sometimes be developed using design details collected from a field designer. The designs are based on new customer connections, overhead and underground electric facilities, distribution system improvement projects, public works projects and routine program work.
<b>Key Accountabilities</b>	<ul style="list-style-type: none"> <li>• Apply acquired knowledge of National Grid construction standards, Electrical Service Information and Requirements, and portions of the National Electric Code and National Electrical Safety Code to construction applications.</li> <li>• Read and interpret one-line diagrams, site plans and load information.</li> <li>• Perform critical analysis of electrical distribution design problems.</li> <li>• Be proficient in the current expanded Work Management Systems required to produce and progress Design Packages.</li> <li>• Effectively communicate with external customers, municipal and regulatory representatives, and contractors on a regular basis.</li> <li>• Advise customers in the proper application of their electric service.</li> <li>• Interact with internal departments and employees to ensure an efficient overall process.</li> <li>• Promote a culture of teamwork, collaboration, and efficient resource utilization, both throughout the department and project teams.</li> <li>• Participate in the training of employees.</li> <li>• Coordinate with the Design Supervisor and the scheduler and be cognizant of design work and job statuses.</li> <li>• Perform Senior Design Investigator work independently as required.</li> <li>• Travel within region, possibly overnight, will be required.</li> <li>• Will also be expected to respond to emergency call out and work extended and planned hours when major company emergencies occur. Emergency roles could include internal Trouble/Dispatch room assignments or external field support roles.</li> </ul>
<b>Knowledge &amp; Experience</b>	<ul style="list-style-type: none"> <li>• Detailed knowledge of electric theory and utility construction practices.</li> <li>• Proficiency in the current Work management Systems.</li> <li>• Robust understanding of local municipality regulations and permit requirements.</li> <li>• Ability to work successfully as part of a team with co-workers.</li> <li>• Ability to develop positive customer relations; anticipate, identify, respond to both internal and external customer concerns and problems, in accordance with the job description and training.</li> <li>• Well developed oral and written communication and interpersonal skills.</li> </ul>
<b>Qualifications</b>	<ul style="list-style-type: none"> <li>• An Associates of Science degree in Engineering, Engineering Technology or Computer Science from an accredited engineering or technological school is required.</li> <li>• Must have passed Aptitude test.</li> <li>• Must meet all the requirements of a Designer B and have at least 5 years of Distribution Design Department experience or equivalent experience.</li> <li>• Ability to follow prescribed standards and procedures.</li> <li>• Well developed verbal and written communication skills</li> <li>• Required to work independently, taking responsibility for work and supporting it from start to finish within a team environment.</li> <li>• Ability to plan, schedule &amp; coordinate multiple ongoing tasks.</li> <li>• Must be able to adjust to changing priorities and respond to requests in a timely fashion.</li> </ul>
<b>Dimensions</b>	It is anticipated that 20% of the Designer work force shall be this classification.

## ATTACHMENT 8

<b>Business Unit</b>	US Electricity Distribution Operations (EDO)
<b>Department</b>	Customer Order Fulfillment
<b>Grade</b>	Starting Wage \$20.53/hr – Ultimate Wage \$25.58/hr
<b>Job Title</b>	Order Processing Representative
<b>Reports to</b>	Manager Order Processing
<b>Location</b>	Waltham
<b>Job Purpose</b>	Responsible to provide prompt, accurate, and professional response to customer requests and inquiries to facilitate effective customer relations in accordance with the job description and training. Position is responsible for completing the processing of new work requests. Job will require research, analysis, problem solving, and some simple design work to facilitate a timely and satisfactory response to customer requests, issues, and concerns.
<b>Key Accountabilities</b>	<p>Under general supervision, communicate with customers or their representative and explain and/or process applicable procedures for the following:</p> <ul style="list-style-type: none"> <li>• Interact with customers or their representatives on a daily basis.</li> <li>• Communicate required documents for design</li> <li>• Process work requests according to procedures to ensure a timely and satisfactory response to the customer.</li> <li>• Determine preliminary design scope</li> <li>• Perform simple design of fast track work requests (design work requests that meet template criteria).</li> <li>• Communicate and process appointments when needed</li> <li>• Apply the prescribed Company standards, guides, specifications, practices, and procedures in preparing layouts of simple overhead and underground electric services</li> <li>• Determine deposit requirements, application requirements, and provision of service policies.</li> <li>• Advise customers in the proper application of their electric service or request</li> <li>• Help determine the most economical method of providing service facilities for customers</li> <li>• Provide generic cost estimates of construction to customers (general costs to perform)</li> <li>• Determine and process customer payments for associated construction activities</li> <li>• Set initial work request expectations and negotiate preliminary customer need date</li> <li>• Utilize the Company information systems to track and update customer work request activities</li> <li>• May be expected to participate in large scale emergency events to support proactive customer service initiatives, unless excused by prior approval by management.</li> </ul>
<b>Knowledge &amp; Experience</b>	<ul style="list-style-type: none"> <li>• Knowledge of customer service techniques, strategies, and approaches</li> <li>• Proven oral and written communication and interpersonal skills</li> <li>• Knowledge and demonstration of problem resolution skills</li> <li>• Preferred knowledge of electric/gas theory and utility construction practices</li> <li>• Preferred knowledge of National Grid service construction standards and Service Information Requirements (green, red, white book)</li> <li>• Preferred experience and/or acumen in Network Strategies (Distribution Design), Operations, or Customer &amp; Markets</li> </ul>
<b>Qualifications</b>	<ul style="list-style-type: none"> <li>• Two-year Technology based degree (Electrical preferred) or Business Administration from an accredited college or university or equivalent experience (minimum of 2 years or equivalent experience in gas or electric business processes, customer service, or design).</li> <li>• Must have passed aptitude test (tech test)</li> <li>• Ability to handle contacts with customers and other departments in connection with job duties.</li> <li>• Ability to follow prescribed standards and procedures.</li> <li>• Highly motivated to take an assignment and progress independently.</li> <li>• Ability to foster positive customer relations; anticipate, identify, respond to customer concerns and problems, in accordance with the job description and training</li> <li>• Ability to work successfully in teams with co-workers.</li> </ul>
<b>Dimensions</b>	

## ATTACHMENT 9

<b>Business Unit</b>	US Electricity Distribution Operations (EDO)
<b>Department</b>	Customer Order Fulfillment
<b>Grade</b>	Starting Wage \$23.55/hr - Ultimate Wage: \$31.25/hr
<b>Job Title</b>	Customer Connections Representative
<b>Reports to</b>	Manager Customer Connections
<b>Location</b>	Waltham
<b>Job Purpose</b>	The Customer Connections Representative will be responsible for managing the customer experience for simple to medium (non-template) related service work. This person will be charged with proactively managing job dependencies from the point after order initiation to delivery of the first bill. This will involve reaching out to various stakeholders to progress the orders and resolve conflicts when needed, as well as periodically validating or renegotiating the "required by" date with the customer.
<b>Key Accountabilities</b>	<ul style="list-style-type: none"> <li>• Perform proactive dependency management throughout the life cycle of the work request</li> <li>• Act as single point of accountability for non-managed customer services requests (simple to medium complexity related service work).</li> <li>• Interface with various internal stakeholders to address delays and resolve conflicts with respect to dependency due dates</li> <li>• Close interface with scheduling to communicate and drive customer need date attainment</li> <li>• Proactively call Customers at various points in the process to renegotiate "required by" dates as necessary</li> <li>• Interpret policies to properly and accurately bill customers for construction projects in accordance with filed tariffs</li> <li>• Determine deposit requirements, application requirements, and provision of service policies.</li> <li>• Assess simple customer load data and perform CIAC (Cost in Advance of Construction) calculations to bill customers for construction projects</li> <li>• Prepare and submit required reports and correspondence</li> <li>• May be expected to support emergency events for proactive customer service initiatives, unless excused by prior approval by management.</li> </ul>
<b>Knowledge &amp; Experience</b>	<ul style="list-style-type: none"> <li>• Proven ability to work with customers, and successfully resolve conflicts</li> <li>• Working knowledge of EDO and non-EDO organizational functions and their role in the construction process</li> <li>• Proven ability to work effectively in a cross-functional environment</li> <li>• Proven problem resolution skills</li> <li>• Proven project management skills</li> <li>• Preferred knowledge of National Grid service construction standards and Service Information Requirements (green, red, white book)</li> <li>• Preferred experience working with rates, tariffs and policies</li> <li>• Preferred experience with electric and/or gas service design concepts</li> <li>• Preferred proficiency in the use of the Work Management System</li> <li>• Preferred experience working with GIS, the Customer System (CSS), and the Financial Systems (Power Plant, iAvenue)</li> <li>• Preferred experience and/or acumen in Network Strategies (Distribution Design) or Customer &amp; Markets (Business Services)</li> </ul>
<b>Qualifications</b>	<ul style="list-style-type: none"> <li>• Two-year degree in Technology based field or Business Administration from an accredited college or university</li> <li>• Must have passed aptitude test (tech test).</li> <li>• Strong written and oral communications skills</li> <li>• Ability to analyze, evaluate, and interpret customer related load and energy data and information</li> <li>• Ability to work well with minimal supervision</li> <li>• Ability to handle contacts with customers and other departments in connection with job duties.</li> <li>• Ability to follow prescribed standards, procedures, and policies.</li> <li>• Highly motivated to take an assignment and progress independently.</li> <li>• Ability to foster positive customer relations; anticipate, identify, respond to customer concerns and problems, in accordance with the job description and training.</li> <li>• Ability to work successfully in teams with co-workers.</li> </ul>
<b>Dimensions</b>	

## ATTACHMENT 10

<b>Business Unit</b>	US Electricity Distribution Operations (EDO)
<b>Department</b>	Distribution Design
<b>Grade</b>	Design Investigator A \$27.23/hr    Design Investigator B \$29.37/hr
<b>Job Title</b>	Design Investigator A & B
<b>Reports to</b>	Distribution Design Supervisor
<b>Location</b>	Regionally Located
<b>Job Purpose</b>	Responsible for field investigation of customer inquiries, requests, complaints, etc. regarding the establishment and maintenance of electric service. Also responsible for gathering field information necessary for the completion of a design package by the Central Design group with regard to distribution line work associated with the aforementioned electric services as well as routine program work.
<b>Key Accountabilities</b>	<ul style="list-style-type: none"> <li>• Interact with customers or their representatives on a regular basis.</li> <li>• Apply acquired knowledge of National Grid construction standards, Electrical Service Information and Requirements, and portions of the National Electric Code and National Electrical Safety Code to construction applications.</li> <li>• Effectively interface and communicate with company personnel, municipal and regulatory representatives, customers, and contractors on a regular basis.</li> <li>• Advise customers in the proper application of their electric service.</li> <li>• Perform analysis of electrical distribution design problems.</li> <li>• Read and Interpret one-line diagrams, site plans and load information.</li> <li>• Participate in the training of employees.</li> <li>• Daily travel within region will be required.</li> <li>• Will be expected to respond to emergency call out and work extended and unplanned hours when company emergencies occur.</li> </ul>
<b>Knowledge &amp; Experience</b>	<ul style="list-style-type: none"> <li>• Knowledge of customer service techniques, strategies, and approaches. Knowledge of electric theory and utility construction practices. The successful candidate must have good oral and written communication and interpersonal skills. Ability to develop positive customer relations; anticipate, identify, respond to customer concerns and problems, in accordance with the job description and training. Ability to work successfully as part of a team with co-workers. Understanding of local municipality regulations and permit requirements.</li> </ul>
<b>Qualifications</b>	<ul style="list-style-type: none"> <li>• An Associates of Science degree in Engineering, Engineering Technology or Computer Science from an accredited engineering or technological school is required.</li> <li>• Must have passed aptitude test.</li> <li>• Design Investigator A's who meet all job requirements and have two years of satisfactory performance will be eligible for promotion to Design Investigator B.</li> <li>• Ability to handle contacts with customers and other departments in connection with job duties.</li> <li>• Ability to follow prescribed standards and procedures.</li> <li>• Must be comfortable using advanced technology for the purpose of gathering and transmitting field data to the Central Design Group.</li> <li>• Must have and retain a valid motor vehicle operator's license which does not restrict hours of operation.</li> <li>• Must be able to perform activities where it is expected that 25 pounds could be lifted, pushed, pulled or carried many times throughout the day.</li> <li>• Must be able to work within confined areas at times and in inclement weather and temperature extremes.</li> </ul>
<b>Dimensions</b>	It is anticipated that 80% of the Design Investigator work force shall be this classification (A/B).

## ATTACHMENT 11

<b>Business Unit</b>	US Electricity Distribution Operations (EDO)
<b>Department</b>	Distribution Design
<b>Grade</b>	\$34.16/ hr
<b>Job Title</b>	Senior Design Investigator
<b>Reports to</b>	Distribution Design Supervisor
<b>Location</b>	Regionally Located
<b>Job Purpose</b>	Responsible for field investigation of customer inquiries, requests, complaints, etc. regarding the establishment and maintenance of electric service. Also responsible for gathering field information necessary for the completion of a design package by the Central Design group with regard to establishment of new overhead and underground electric facilities, distribution system improvement projects, public works projects and routine program work.
<b>Key Accountabilities</b>	<ul style="list-style-type: none"> <li>• Interact with customers or their representatives on a regular basis.</li> <li>• Apply acquired knowledge of National Grid construction standards, Electrical Service Information and Requirements, and portions of the National Electric Code and National Electrical Safety Code to construction applications.</li> <li>• Effectively interface and communicate with company personnel, municipal and regulatory representatives, customers, and contractors on a regular basis.</li> <li>• Advise customers in the proper application of their electric service.</li> <li>• Perform critical analysis of electrical distribution design problems.</li> <li>• Read and Interpret one-line diagrams, site plans and load information.</li> <li>• Participate in the training of employees.</li> <li>• Travel within region, possibly overnight, will be required.</li> <li>• Will be expected to respond to emergency call out and work extended and unplanned hours when company emergencies occur.</li> </ul>
<b>Knowledge &amp; Experience</b>	<ul style="list-style-type: none"> <li>• Knowledge of customer service techniques, strategies, and approaches. Knowledge of electric theory and utility construction practices. The successful candidate must have excellent oral and written communication and interpersonal skills. Ability to develop positive customer relations; anticipate, identify, respond to customer concerns and problems, in accordance with the job description and training. Ability to work successfully as part of a team with co-workers. Understanding of local municipality regulations and permit requirements.</li> </ul>
<b>Qualifications</b>	<ul style="list-style-type: none"> <li>• An Associates of Science degree in Engineering, Engineering Technology or Computer Science from an accredited engineering or technological school is required.</li> <li>• Must have passed aptitude test.</li> <li>• Must meet all the requirements of a Design Investigator B and have at least 5 years of Distribution Design Department experience or equivalent experience.</li> <li>• Ability to handle contacts with customers and other departments in connection with job duties.</li> <li>• Ability to follow prescribed standards and procedures.</li> <li>• Highly motivated to take an assignment and progress independently.</li> <li>• Must be comfortable using advanced technology for the purpose of gathering and transmitting field data to the Central Design Group.</li> <li>• Must have and retain a valid motor vehicle operator's license which does not restrict hours of operation.</li> <li>• Must be able to perform activities where it is expected that 25 pounds could be lifted, pushed, pulled or carried many times throughout the day.</li> <li>• Must be able to work within confined areas at times and in inclement weather and temperature extremes.</li> </ul>
<b>Dimensions</b>	It is anticipated that 20% of the Design Investigator work force fall within this classification.

# ATTACHMENT 12

## SUPPORT SERVICES DEPLOYMENT

WAVE	DIVISION	PLATFORM	WAVE 1					WAVE 2					TRANSITION ADDITIONAL WORK TO CENTRALIZED LOCATION Jan-2010 =====> March-2012	
			06/01/2009	06/08/2009	06/15/2009	06/22/2009	06/29/2009	07/06/2009	07/13/2009	07/20/2009	07/27/2009	08/03/2009		08/10/2009
WAVE 1	NEN	ATHOL			B	A								
		GREAT BARRINGTON			B									
		LEBANON, NH		A	B									
		LEOMINSTER/GARDNER			A,B									
		MALDEN			A,B									
		MONSON			B	A								
		N. ADAMS			B			A						
		N. HAMPTON			B			A						
		SALEM, NH		A	B									
		SPENCER			B			A						
		TEWKSBURY	A		B									
		WORCESTER			B			A						
		N. ANDOVER	A		B									
		NEWBURYPORT	A		B									
		BEVERLY	A		B									
		HAVERHILL	A		B									
WAVE 2	NES	METHUEN	A		B									
		ATTLEBORO							A	B				
		BROCKTON							A	B				
		HANOVER							A	B				
		HOPEDALE									B	A		
		LINCOLN									B		A	
		MARLBORO									B	A		
		MIDDLETOWN						A			B			
		N. KINGSTON									B	A		
		NANTUCKET						A			B			
		PROVIDENCE									A,B			
		QUINCY									A	B		
		SOMERSET						A			B			
		UXBRIDGE									A,B			
		WESTERLY									B	A		

GROUP	DUTIES
A	Time Entry Confirming Order Initiation Work Order Close-out/As-Builts
B	Property Damage Reports Processing Contractor work Temp Service Billing
C	Demolition Orders Customer Appointments CIAC

Customer Order Fulfillment

## **ATTACHMENT 13**

MEMORANDUM OF AGREEMENT  
BETWEEN  
NATIONAL GRID  
AND  
THE UTILITY WORKERS UNION OF AMERICA LOCAL 310  
REGARDING THE ESTABLISHMENT OF A RHODE ISLAND TRANSITIONAL  
DESIGN HUB AND THE CONSOLIDATION OF EDO CLERICAL POSITIONS IN  
LOCAL 310.

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National Grid (the "Company") and U.W.U.A. Local 310 (the "Union") are parties to agreements made on May 12, 2007, ("Existing Agreements") and have agreed to extend the Existing Agreements as part of EDO Transformation.

### **RHODE ISLAND TRANSITIONAL DESIGN HUB**

A centralized transitional Design hub will be established in Providence. As employees are attrited from the Design hub, the work will be moved to Waltham, and the centralized Design position in the hub will not be backfilled.

The initial staffing of the Providence transitional Design hub will be as established as per attachment 5a. Vacancies in the field designer positions will be filled in accordance to the Principle Agreement.

### **CLERICAL CONSOLIDATION**

Initial reductions in the Local 310 EDO Clerical staff will be accomplished through Voluntary Reductions through VERO, Severance and bid process to an open position.

No Incumbent Local 310 EDO Clerical staff will be forced out of the Local.

A transitional Clerical location will be established in Providence. As employees are attrited from the Clerical location, the work will be moved to Syracuse, NY, and the centralized Clerical position in the central location will not be backfilled.

Should a Local 310 EDO Clerical staff wish to fill the Order Processing Rep position in Waltham in the Customer Order Fulfillment Department and providing they meet the minimum requirements of 2 years experience in gas or electric business processes, customer service, or design the two year degree requirement will be waived and the Tech Test requirement will be waived.

The employee will be given a ninety (90) day trial period and after the 90 trial period the Company will make the determination if the person meets the needs for the department.

If the employee is deemed to meet the department needs then they will become Order Processing reps and be placed in progression and will enjoy all rights under Section 8 of the M.O.A. between National Grid and The Utility Workers Union of America Regarding the Extension of the Existing Labor Agreement.

If the employee does not meet the needs of the department or elects to leave the Order Process Rep position within ninety (90) day, they will be returned to the 310 Local to the classification from which they came with no loss of seniority in that classification, and they will not have accumulated any seniority in the Customer Order Fulfillment Department. Upon return to the local the Company will be responsible to find them viable work.

FOR THE COMPANY

FOR THE UNION

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Date:

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## **ATTACHMENT 14**

MEMORANDUM OF AGREEMENT  
BETWEEN  
NATIONAL GRID  
AND  
THE UTILITY WORKERS UNION OF AMERICA LOCAL 329  
REGARDING THE CONSOLIDATION OF EDO CLERICAL POSITIONS IN  
LOCAL 329.

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National Grid (the "Company") and U.W.U.A. Local 329 (the "Union") are parties to agreements made on May 12, 2007, ("Existing Agreements") and have agreed to extend the Existing Agreements as part of EDO Transformation.

### **CLERICAL CONSOLIDATION**

Initial reductions in the Local 329 EDO Clerical staff will be accomplished through Voluntary Reductions through VERO, Severance and bid process to an open position.

Absent solution and after EDO Clerks exercise bumping rights – Local 329 EDO Clerks will displace contract clerks in CDC in Sutton.

Should a Local 329 EDO Clerical staff wish to fill the Order Processing Rep position in Waltham in the Customer Order Fulfillment Department and providing they meet the minimum requirements of 2 years experience in gas or electric business processes, customer service, or design the two year degree requirement will be waived and the Tech Test requirement will be waived.

The employee will be given a ninety (90) day trial period and after the 90 trial period the Company will make the determination if the person meets the needs for the department.

If the employee is deemed to meet the department needs then they will become Order Processing reps and be placed in progression and will enjoy all rights under Section 8 of the M.O.A. between National Grid and The Utility Workers Union of America Regarding the Extension of the Existing Labor Agreement.

If the employee does not meet the needs of the department or elects to leave the Order Process Rep position within ninety (90) day, they will be returned to the 329 Local to the classification from which they came with no loss of seniority in that classification, and they will not have accumulated any seniority in the Customer Order Fulfillment Department. Upon return to the local the Company will be responsible to find them viable work.

FOR THE COMPANY

FOR THE UNION

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Date:

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## **ATTACHMENT 15**

MEMORANDUM OF AGREEMENT  
BETWEEN  
NATIONAL GRID  
AND  
THE UTILITY WORKERS UNION OF AMERICA LOCAL 330  
REGARDING THE CONSOLIDATION OF EDO CLERICAL POSITIONS IN  
LOCAL 330.

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National Grid (the "Company") and U.W.U.A. Local 330 (the "Union") are parties to agreements made on May 12, 2007, ("Existing Agreements") and have agreed to extend the Existing Agreements as part of EDO Transformation.

### **CLERICAL CONSOLIDATION**

Initial reductions in the Local 330 EDO Clerical staff will be accomplished through Voluntary Reductions through VERO, Severance and bid process to an open position.

No Incumbent Local 330 EDO Clerical staff will be forced out of the Local before September 1, 2010 and no Contractor Clerical Staff shall be doing comparable clerical work on the Worcester Platform. The Company and Union will continue to find comparable work to avoid force.

Absent solution and after EDO Clerks exercise bumping rights – Local 330 EDO Clerks will be placed in Northborough – not Waltham under EDOT.

Should a Local 330 EDO Clerical staff wish to fill the Order Processing Rep position in Waltham in the Customer Order Fulfillment Department and providing they meet the minimum requirements of 2 years experience in gas or electric business processes, customer service, or design the two year degree requirement will be waived and the Tech Test requirement will be waived.

The employee will be given a ninety (90) day trial period and after the 90 trial period the Company will make the determination if the person meets the needs for the department.

If the employee is deemed to meet the department needs then they will become Order Processing reps and be placed in progression and will enjoy all rights under Section 8 of the M.O.A. between National Grid and The Utility Workers Union of America Regarding the Extension of the Existing Labor Agreement.

If the employee does not meet the needs of the department or elects to leave the Order Process Rep position within ninety (90) day, they will be returned to the 330 Local to the classification from which they came with no loss of seniority in that classification, and they will not have accumulated any seniority in the Customer Order Fulfillment Department. Upon return to the local the Company will be responsible to find them viable work.

FOR THE COMPANY

FOR THE UNION

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Date:

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## **ATTACHMENT 16**

MEMORANDUM OF AGREEMENT  
BETWEEN  
NATIONAL GRID  
AND  
THE UTILITY WORKERS UNION OF AMERICA LOCAL 369  
REGARDING THE CONSOLIDATION OF EDO CLERICAL POSITIONS IN  
LOCAL 369.

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National Grid (the "Company") and U.W.U.A. Local 369 (the "Union") are parties to agreements made on May 12, 2007, ("Existing Agreements") and have agreed to extend the Existing Agreements as part of EDO Transformation.

### **CLERICAL CONSOLIDATION**

Initial reductions in the Local 369 (Brockton/Malden), EDO Clerical staff will be accomplished through Voluntary Reductions through VERO, Severance and bid process to an open position.

The Incumbent EDO Clerk in Brockton will remain until the Incumbent Clerk vacates that position. At that time the Brockton EDO Clerical position will not be backfilled and the Company will migrate that work to another office.

No Incumbent Malden Local 369 EDO Clerical staff will be forced out of the Local before September 1, 2010 and no Contractor Clerical Staff shall be doing comparable clerical work on the Malden Platform. The Company and Union will continue to find comparable work to avoid force.

Absent solution and after EDO Clerks exercise bumping rights – Malden Local 369 EDO Clerks will be placed in Waltham within the Customer Order Fulfillment Department in the role of Order Processing Rep. for a ninety (90) day trial period. After the 90 trial period the Company will make the determination if the person meets the needs for the department.

If the employee is deemed to meet the department needs then they will become Order Processing reps and be placed in progression and will enjoy all rights under Section 8 of the M.O.A. between National Grid and The Utility Workers Union of America Regarding the Extension of the Existing Labor Agreement.

If the employee does not meet the needs of the department or elects to leave the Order Process Rep position within ninety (90) day, they will be returned to the Local 369Malden office to the classification from which they came with no loss of seniority in that classification, and they will not have accumulated any seniority in the Customer Order Fulfillment Department. Upon return to the local the Company will be responsible to find them viable work.

FOR THE COMPANY

FOR THE UNION

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Date:

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## ATTACHMENT 17

<b>Business Unit</b>	US Electricity Distribution Operations (EDO)
<b>Department</b>	Operations
<b>Days/Hours</b>	Mon thru Fri / TBD
<b>Days of Relief and Rate of Pay</b>	Saturday/Sunday      Rate of Pay \$28.11
<b>Job Title</b>	Work Readiness Tech
<b>Reports to</b>	Performance Supervisor
<b>Location</b>	Division based
<b>Job Purpose</b>	Work Readiness will verify availability, stock, load and clear materials for Operations. They will start, fuel, inspect and clear off vehicles for use. The Work Readiness Person can perform the activities of any department's entry level positions or perform activities that they have been trained in. The Work Readiness position will not be used to replace any job titles within the roster.
<b>Key Accountabilities</b>	<ol style="list-style-type: none"> <li>1. Perform all preliminary vehicle checks to identify any out of service conditions prior to the start of the work day. This includes, but is not limited to: starting, DOT inspecting, OSHA inspecting (when applicable), checking fluids, and fueling (where available). Required to report any discovered problems to the Performance Supervisor, Work Coordinator and/or Fleet personnel immediately.</li> <li>2. Ensure all materials identified on a Bill of Materials/Stores Orders/Material lists are loaded and secured on/or next to the appropriate operations vehicle prior to the start of a crews shift; this includes both par stock as identified by a crew leader, as well as job specific material needed for daily work.</li> <li>3. Deliver materials/tools/equipment to the field as directed by the Performance Supervisor and Work Coordinator.</li> <li>4. Return any unused material to the stores department following the material return process.</li> <li>5. Clear off vehicles and dispose of old material in appropriate investment recovery area.</li> <li>6. Support crews as requested in completing tasks necessary for the expeditious departure from the facility. (i.e. assisting in backing up of vehicles or the mitigation of unsafe conditions within the facility)</li> <li>7. Obtain material and equipment from all resources as necessary for planned and emergency work.</li> <li>8. Read and interpret diagrams, drawings, and sketches.</li> <li>9. Fill out paperwork and forms as required.</li> <li>10. Operate power equipment on company vehicles. (Generators, tampers, drills, saws)</li> <li>11. Perform miscellaneous duties as assigned (Flagging, assembly of components / materials / transformers, clearing of snow, single phase generator operation and hook up, rubber goods inventory, locating and marking underground facilities, perform overhead feeder patrols, move and assemble furniture, surveys, service inspections, URD inspections*, and Dig Safe inspections). * <b>If manholes (MH) are utilized, only applies to new construction for MH entry issues.</b></li> <li>12. Participate in storm restoration efforts as it applies to the Work Readiness activities.</li> <li>13. Inspect overhead and underground facilities including voltage potential surveys and inspections on streetlights, pad-mounted transformers, manholes (<b>new construction</b>), etc.</li> <li>14. Work off staging, ladders, or aerial devices and within trenches or confined areas.</li> <li>15. Prepare, assemble, and distribute tools and equipment to Operations Departments.</li> <li>16. Do typical facilities work such as snow removal, lawn maintenance, janitorial duties, construction, plumbing, wiring, painting, carpentry, landscaping, fire extinguisher inspections, heating, etc.</li> <li>17. Support departments by performing work such as stock delivery, transformer delivery, stocking shelves, forklift operation, etc.</li> <li>18. May be required to handle substances considered hazardous.</li> <li>19. Work during inclement weather and emergencies cleaning steps, walkways, and other areas by physical and mechanical means.</li> <li>20. Perform various environmental duties such as hazardous waste inspections, fuel tank</li> </ol>

## ATTACHMENT 17

	<p>monitoring, weekly stage I/II inspections (fuel pumps and fuel intakes), daily and monthly fuel reconciliation, oil/water separator inspections, manage recycling program (junk transformer labeling, monitoring, loading), and hazardous waste drum management (labeling, scheduling, shipping, record keeping).</p> <ol style="list-style-type: none"> <li>21. Inspect underground structures as they pertain to URD and <b>new construction</b> of conventional manholes and duct systems. Verify that installation is in accordance to National Grid Standards.</li> <li>22. Receive, deliver packages and mail.</li> <li>23. Work at various National Grid facilities within and outside the Division.</li> <li>24. Perform filing and other clerical duties.</li> <li>25. May be required to work irregular and/or extended hours to support any of the above duties. Subject to scheduled and unscheduled overtime. Must be able to furnish an acceptable means of off-hour contact by telephone.</li> <li>26. May be required, if qualified, to be on the National Grid Clearance and Control List.</li> </ol>
<b>Knowledge &amp; Experience (Post Hire)</b>	<ol style="list-style-type: none"> <li>1. Employee must work safely and comply with all PPE rules specified in the National Grid Employee Safety Handbook and in accordance to applicable EOPs.</li> <li>2. Demonstrate knowledge of Operation's work methods, safety rules, and DOT/ OSHA requirements.</li> <li>3. Knowledge of distribution tools, hydraulics, generators, equipment, fleet vehicles and materials.</li> <li>4. Ability to learn and follow National Grid's hazardous material and environmental policies and procedures.</li> <li>5. Be proficient with the use of electronic devices such as handhelds and computers.</li> </ol>
<b>Qualifications</b>	<ol style="list-style-type: none"> <li>1. Must be able to successfully perform and demonstrate a capacity to lift objects or materials used by the OH/UG/Substation departments.</li> <li>2. Successfully pass the EEI Cast Test.</li> <li>3. Ability to obtain and maintain a valid CDL A License, including interstate medical certificate. Certification in Hoisting and rigging, and Fork-lift Operation.</li> <li>4. Participate in and pass the drug/alcohol testing pool for DOT requirements.</li> <li>5. Have legible handwriting and printing, and communicate verbally, clearly, and understandably.</li> <li>6. Demonstrate the ability to work independently.</li> </ol>



## Attachment 18

Work Readiness Tech Quantity and Location Chart

No.	Stand-Alone or Combine	Location	WR Headcount
<b>Totals</b>			
<b><u>North Division -</u></b>			
<b><u>New England</u></b>			
	Combine	Worcester	3
		Leominster	
	Combine	Beverly	3
		Malden	
	Stand-Alone	Monson*	
<b><u>South Division -</u></b>			
<b><u>New England</u></b>			
	Combine	Brockton	3
		Hanover	
	Combine	Providence	3
		North Kingstown	
	Combine	Hopedale	3
		Marlboro	
		Attleboro	

**Attachment 19**

EDO Field Operations & Maintenance Construction workers  
On-The-Job Training Field Checklist

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The "On-the-Job Training" (OJT) Field Checklist for Operations Construction Workers is intended to document the following:

- A. The employee in progression to track and identify tasks not exposed to
- B. Presence of an experienced crew member (typically Crew Leader, Lead Splicer, or Working Leader but not limited to these positions)- in regards to the on the job training.
- C. Supervisor's periodic review and acknowledgement of demonstrated proficiency of each task.

Remarks: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Page 2 of 2

**Attachment 19**

Name: \_\_\_\_\_ Ops Constr Worker: \_\_\_\_\_ Apprentice  
\_\_\_\_\_ 3<sup>RD</sup> Class  
Date Entered Progression Series: \_\_\_\_/\_\_\_\_/\_\_\_\_ \_\_\_\_\_ 2<sup>ND</sup> Class  
\_\_\_\_\_ 1<sup>ST</sup> Class  
Location: \_\_\_\_\_  
Supervisors: \_\_\_\_\_  
\_\_\_\_\_

\*\* Top section to be filled out by Supervisor

.....  
**SAMPLE FORMAT**

	<u>Emp / Date</u>	<u>Leader / Date</u>	<u>Supv / Date</u>
1. Demonstrate knowledge of installation and operation of devices			
Sample of tasks*			
a. Airbreaks & Loadbreaks	____/____	____/____	____/____
b. Disconnects	____/____	____/____	____/____
c. Fused Cutouts	____/____	____/____	____/____
d. Reclosers	____/____	____/____	____/____
e. Sectionalizers	____/____	____/____	____/____
f. Regulators	____/____	____/____	____/____

\* Complete lists of tasks be added ( as currently established) for each classification

Is the employee in training engaged and asking questions \_\_\_\_/\_\_\_\_/\_\_\_\_

.....  
By: \_\_\_\_\_  
Supervisor

Remarks: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Commission 1-21-ELEC

Request:

Please provide a copy of the Memorandum of Understanding with Local 310 referred to on p. 4, line 7 of Michael Hrycin.

Response:

Please see Attachment COMM 1-21-ELEC, which is a copy of the Memorandum of Understanding referenced in the testimony.

**MEMORANDUM OF UNDERSTANDING BETWEEN NATIONAL GRID  
AND LOCAL 310 BUW COUNCIL / UWUA  
RELIEF FROM MAINTAINING MINIMUM-STAFFING LEVELS  
IN RHODE ISLAND**

The following constitutes a settlement of National Grid's request of Local 310 BUW Council / UWUA AFL-CIO to grant the Company relief from the contractual obligations under Article V, Paragraph F, Guaranteed Staffing and Use of Contractors, Section 1 of the current collective bargaining agreement dated May 12, 2007 – May 11, 2011.

The Company has requested to keep staffing levels within the Overhead, Underground, and Substation O&M departments in Rhode Island at a minimum of the following pro-rated levels:

**Overhead - 155, Underground - 36, and Substation O&M – 40**

In addition, the Company would request that the Union agree to allow the Company to postpone any additional hiring until May 2011.

From May 2011 until May 2013, the Company and the Union will work jointly to achieve the required guaranteed staffing levels per Article V, Paragraph F, Section 1 of the current collective bargaining agreement. The Company agrees to have posted and filled said positions prior to May 11, 2013.

The Company has agreed to minimize the use of outside contractors within the stated departments from May 2010 until the guaranteed staffing levels per Article V, Paragraph F, Section 1 are reached and will continue to provide overtime per Article V, Paragraph F, Section 3.

The Company agrees that it shall provide overtime in accordance with Article V – Filling of Vacancies, F. Guaranteed Staffing and Use of Contractors, Section 3 to Local 310 members at the difference of actual staffing to the guaranteed staffing levels listed in the Article V, F, Section 1 until those guaranteed staffing levels have been met.

In departments that have multiple overtime lists the overtime shall be offered in proportion to the number of employees on the area's overtime list.

This is done on a non-precedent basis and this agreement cannot be cited in any arbitration or legal forum by National Grid or Local 310 BUW Council / UWUA AFL-CIO except as it pertains to this specific agreement.

Commission 1-22-ELEC

Request:

Michael Hrycin. Aside from assisting the Company in restoring services after weather related outages, what other duties will the new electrical workers perform?

Response:

Please see Attachment COMM 1-22-ELEC, which is a copy of the job postings that outline the responsibilities that the new electrical workers will be required to perform during and after completion of their four-year training.

<< Only Local 310 members are eligible to bid on this posting >>

**NOTICE OF VACANCY**  
To the Employees of National Grid  
Local Union 310

The Narragansett Electric Company  
d/b/a National Grid  
R.I.P.U.C. Docket No. 4323  
Attachment COMM 1-22-ELEC  
Page 1 of 1

**Posting Number:** 310- 1XX  
**Title of Position:** First Class Lineworker  
**Department:** Overhead Lines  
**Date of Posting:**  
**Location of Position:** Subject to Canvass  
**Rated Wage:** \$

**Job Responsibilities:**

- Perform all duties of a Lineworker 1/C and/or Single Person Worker duties.
- Maybe required to handle substances considered hazardous.
- Follow all National Grid environmental policies.
- Occasionally direct and train overhead line crew personnel.
- Maintain various records and procure all stock as needed
- Install and remove common meters on single- phase services as required.
- Contribute to crew productivity, safety, and knowledge of the job.
- Be capable to act as Field Control Authority and assume responsibility for Red Tags

**Job Qualifications:**

- Be proficient as a Lineworker 1/C as demonstrated by proficiency, testing and past performance appraisals.
- Be thoroughly familiar with all Safety Standards.
- Retain appropriate qualifications on the National Grid Switching and Tagging list.
- Be thoroughly familiar with all Construction, Operating, and Maintenance Standards, and Safety Standards and Procedures.
- Be proficient with the use of electronic devices and maintain various records, reports, and forms regarding payroll, materials used, and condition of plant, tools, and equipment.
- Demonstrate the ability to properly operate vehicles, tools, and equipment assigned to the department.
- Furnish an acceptable means of off-hour contact by telephone.
- Retain a valid motor vehicle operator's license, which does not restrict driving as to type of transmission or hours of operation.
- Must maintain a DOT health certificate and a System hoisting certificate.

Commission 1-25-ELEC

Request:

Michael Hrycin. Assuming the need for the addition of 19 electrical workers, please explain why the Company chose to hire union, as opposed to non-union, employees.

Response:

Please refer to the Company's response to Commission 1-24-ELEC. Also, please see page 6 of the collective bargaining agreement provided in Attachment COMM 1-20-1-ELEC, which recognizes the union as the exclusive representative for the 19 electrical worker positions. Finally, see Page 6, Lines 2-10 of Mr. Hrycin's testimony for a discussion on how the hiring of locally trained union workers will address a future staffing need of Narragansett Electric to have an adequate complement of trained and qualified electric workers due to possible retirements, and Page 8, Lines 11-20 for a discussion on how the hiring of these union electrical workers will enhance the reliability of Narragansett Electric's distribution system in the future.



Commission 1-26-ELEC

Request:

Is the 4 year training period (p. 4, line 20 and p. 8, line 5 of Michael Hrycin) for new employees required by federal law/standards, state law, union rules or in-house company policy?

Response:

As discussed on Pages 7-8 of the Direct Testimony of Company Witness Hrycin, the four-year training period is a Company policy designed to ensure that new hires meet the compliance requirements of the federal Occupational Safety and Health Administration ("OSHA") regulations for a qualified electrical worker. OSHA regulations require that a qualified electrical worker have the training and experience to demonstrate the knowledge and skills to perform work on or near energized electrical facilities at voltage levels exceeding 600 volts. The Company's program is designed to provide this comprehensive training over a four-year period.

Commission 1-27-GAS

Request:

Referring to Jeffrey Martin, p. 10, lines 12-20, does the Company intend to consolidate electric and gas billing in the future?

Response:

The conversion of Rhode Island gas customers to the CSS provides an opportunity for further consolidation of gas and electric accounts and billing, which the Company believes would be a beneficial convenience to customers, while providing significant operational cost savings. Should the Commission approve or otherwise request the Company to combine gas and electric accounts to provide customers a single combined account, with both services managed together, the Company would submit a proposal for its implementation.

Commission 1-28-GAS

Request:

Jeffrey Martin. Only 12% of customers have paperless billing. How does this number compare with the Company's other service territories and the industry in general?

Response:

Within the energy utility industry, paperless billing has been adopted on average by between 10-11 percent of customers. 12.2 percent of Narragansett Electric customers (59,741 of 490,355 active customers in December 2011) were enrolled in paperless billing at the end of calendar year 2011. With the conversion of Rhode Island gas customers to CSS, paperless billing became available to the gas customer segment as well. As of the end of April 2012, 10.07 percent of the combined Narragansett Electric and Narragansett Gas customers are enrolled in paperless billing. Within the energy utility industry, and as shown below, within National Grid's service territories, the adoption rates for paperless billing can vary significantly. Across National Grid's franchises offering paperless billing, 12.48 percent of customers are currently enrolled.

<b>Service Area</b>	<b>Active Customers</b>	<b>Total Customers on Paperless Billing</b>	<b>Percent Active Customers on Paperless Billing</b>
Nantucket Electric	12,760	1,717	13.46%
Massachusetts Electric	1,296,497	192,785	14.87%
Niagara Mohawk (NMPC)	1,685,505	250,080	14.84%
Granite State Electric	42,897	6,763	15.76%
Narragansett (1)	753,470	75,832	10.07%
Keyspan New York	1,213,009	104,704	8.63%
Boston Gas	608,304	102,600	16.87%
Essex Gas	51,105	6,171	12.08%
Colonial Lowell	89,204	10,691	11.98%
Colonial Cape Cod	106,607	12,078	11.33%
Energy North	85,483	10,326	12.08%
Long Island Gas	557,787	37,801	6.78%
<b>National Grid Total (2)</b>	<b>6,502,627</b>	<b>811,548</b>	<b>12.48%</b>
<b>Energy Utility Average (3)</b>			<b>10-11%</b>

- (1) Narragansett numbers include gas accounts with the conversion from Advantage to CSS in January 2012.
- (2) Paperless billing enrollment as of the end of April 2012.
- (3) As reported by FiServ authors in several contemporary online business case and paperless billing articles.

Commission 1-35-ELEC/GAS

Request:

Page 12 of Timothy Horan's direct states that the recent restructuring of National Grid will save Rhode Island \$172 million on a run rate basis as of March 2013.

- a. Please define run rate basis.
- b. Please itemize the savings of \$172 million.

Response:

- a. The concept of the "run rate" is that the data for a period of less than one year is extrapolated to represent the result for a full year. For example, if a savings initiative is implemented on March 31, 2012 and is estimated to result in \$3 million of savings annually, the run rate for that initiative on March 31, 2012 is \$3 million, even though the total actual savings will not be realized within the current calendar year.
- b. Please refer to Workpaper MDL-15 and the Company's response to Commission 1-1-ELEC/GAS.

Please note that the \$172 million amount referenced in this question and in Mr. Horan's testimony refers to total savings delivered by the U.S. Restructuring Program. Of that total amount, \$2.6 million is allocated to Narragansett Electric and \$1.1 million is allocated to Narragansett Gas, as discussed in the testimony of Mr. Laflamme.

Commission 1-38-ELEC

Request:

Page 26 of Timothy Horan's direct states that the storm fund has a deficit balance in excess of \$11 million. The Docket 2509 Storm Fund Report for 2011 dated April 30, 2012 identifies a deficit of \$4.6 million as of 12/31/11. Please reconcile the \$11 million and \$4.6 million.

Response:

Please refer to the Company's response to Division 1-29-ELEC.

Commission 1-41-ELEC/GAS

Request:

Page 21 of Mr. Hevert's direct indicates that he removed from his proxy group those companies that have less than 60% of total net operating income derived from regulated utility operations.

- a. Please provide the justification for the 60% threshold.
- b. What portion of RI net income is derived from regulated utility operations?

Response:

- a. It has been Mr. Hevert's consistent long-term practice to rely upon a 60 percent threshold to determine a proxy group of companies that are primarily regulated utilities, while still maintaining a sufficient number of publicly-traded companies to serve as proxies. The purpose of this screening criterion is to identify companies for which regulated activities represent a substantial portion of their aggregate economic value. Importantly, this approach, including the 60.00 percent threshold itself, is highly consistent with an approach used by Moody's. In that regard, Moody's places utilities in one of four "categories" that reflect the extent to which their business risk is influenced by regulated activities. Moody's concluded that "this analysis of qualitative factors-the split of regulated versus non-regulated activities and the respective risk analysis of those businesses-allows us to determine how stable and predictable we feel the cash flows of the company should be."<sup>1</sup> Moody's categories of regulated companies are as follows:

1. Category 1: a wholly regulated business
2. Category 2: 80-99% of the business is regulated
3. Category 3: 60-80% of the business is regulated
4. Category 4: 40-60% of the business is regulated<sup>2</sup>

It is clear, therefore, that the intent and level of the 60.00 percent criterion is consistent with the approach used by Moody's.

- b. It is Mr. Hevert understanding that 100 percent of the Company's Rhode Island operating income is derived from regulated utility operations.

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<sup>1</sup> Moody's Rating Methodology, *Global Regulated Electric Utilities*, March 2005, at 7.

<sup>2</sup> Moody's Investor Service, *Moody's Sourcebook, Power and Energy Company*, October 2005, at 136.

Commission 1-42-ELEC/GAS

Request:

Page 7, lines 3-4 of Ms. Heaphy's direct states that National Grid expects to fill 26 incremental positions associated with the US Foundations program. Please explain the US Foundations program, and provide the incremental cost to RI ratepayers that will result from this program.

Response:

The U.S. Foundation Program ("USFP") is discussed in the Direct Testimony of Company Witness Michael D. Laflamme beginning at page 42.

The incremental labor, benefits and payroll tax expense associated with these 26 positions totals \$256,463 for Narragansett Electric and \$94,562 for Narragansett Gas. Supporting schedules are marked as Schedule MDL-3-ELEC page 45 and Schedule MDL-3-GAS page 43, respectively.

The incremental rate year cost of the associated back office system ("SAP") is included in Computer Software expense and totals \$2,626,506 for Narragansett Electric and \$1,092,331 for Narragansett Gas. These amounts are shown at Schedule MDL-3-ELEC page 27 and Schedule MDL-3-GAS page 27, respectively. The supporting workpaper is marked as Workpaper MDL-7.

USFP enables National Grid to accomplish elements of the overall U.S. Restructuring Program discussed in the testimony of Company Witness Laflamme beginning at page 58 for the Narragansett Electric cost of service and page 100 for the Narragansett Gas cost of service. Of the total U.S. Restructuring Program savings allocated to Narragansett Electric and Narragansett Gas, \$0.3 million and \$0.1 million, respectively, are directly attributable to USFP. Indirectly, USFP will enable several other U.S. Restructuring savings initiatives that were developed assuming a single back-office platform. Additionally, USFP will serve as a critical enabler for future enterprise-wide enhancements, such as front-office systems, that will deliver improved service at reasonable costs.

Commission 1-43-ELEC/GAS

Request:

Page 16 of Ms. Heaphy's direct states that the variable pay of Band A employees is not included as part of the revenue requirement. Why not? Where does the money come from to pay the Band A variable pay?

Response:

It is National Grid's policy not to include variable pay as part of the revenue requirement in determining base distribution rates. The cost of Band A variable pay for National Grid's senior executives is borne by National Grid's shareholders.



Commission 1-45-ELEC/GAS

Request:

Page 12 Mr. Doucette's direct states that the Company's contribution to the defined contribution plan will range from 4 to 8%.

- a. Please provide the justification for the range of 4 to 8%.
- b. How does the Company determine where in the range the contribution will fall? (i.e. Why would the contribution be 5% as opposed to 6%?)

Response:

- a. The 4-8% contribution is the same as the pay credit percentage the Company contributes to employee accounts under the cash balance pension plan. In keeping to the 4-8% contribution level, several factors were considered including market competitiveness, maintaining a consistent benefit for employees and valuing loyalty by providing a higher contribution to longer service employees. The most significant change in moving from the cash balance plan to the defined contribution plan is the transfer of investment risk from the Company to the employee.
- b. The core contributions the Company makes to the plan are determined based on the employee's points (age plus years of service) as of January 1 of each calendar year. The contribution percentage is based on the table below. As the employee's points increase, the contribution made by the Company increases to a maximum of 8% of eligible pay.

Points	Contribution (% of Compensation)
< 45	4%
45 – 54	5%
55 – 64	6%
65 – 74	7%
75 +	8%