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AGREEMENT

THIS AGREEMENT is entered into this 16th day of August, 2010 by and between the Mohave County Electric Operations of UNS Electric, Inc., an Arizona corporation, hereinafter referred to as “Company” or “Employer”, and Local Union 769, International Brotherhood of Electrical Workers, affiliated with the AFL-CIO, hereinafter referred to as “Union”.

Whereas, the employees of the Company agree that they will, individually and collectively, perform loyal and efficient work and service for the Company, and that they will use their influence and best efforts to protect the property of the Company and its service to the public, and that they will cooperate in promoting and advancing the welfare of the Company, and the protection of its service to the public at all times.

Whereas, the parties hereto desire to facilitate the peaceful adjustment of differences that may from time to time arise between them to promote harmony and efficiency so that the Company, the Union and the general public may benefit therefrom, and to establish rates of pay, hours, and other conditions of employment for certain hereinafter designated employees of the Company, therefore, the parties hereto agree as follows:

ARTICLE 1 RECOGNITION

1.1 For the purpose of collective bargaining with respect to rates of pay, wages, hours of employment and other conditions of employment, the Company recognizes the Union as the exclusive representative of the employees of UNS Electric, Inc., Mohave County Electric Operations, who are employed in the classifications specified in Article 27, EXHIBIT “A”, for whom the National Labor Relations Board certified the Union in Cases No. 28-RC-1262 and 28-RC-6213, and where the term “Employee” or “Employees” is used in the Agreement, it refers only to individuals employed in those classifications and to those which may have been subsequently agreed upon by the parties.

1.2 Successors. This agreement shall be binding on any and all successors and assigns of the Company, whether by sale, transfer, merger, acquisition, consolidation, lease, receivership, bankruptcy or otherwise and whether the transfer be of the Company or of the Mohave County Electric Operations. The Company shall make it a condition of transfer that the successor assigns shall be bound by the terms of this Agreement. It is the intent of the parties that this Agreement shall remain in effect for its full term and bind the successor or assigns of the respective parties.

ARTICLE 2 TERM OF AGREEMENT

2.1 This agreement shall be effective as of August 16, 2010 and shall remain in full force and effect up to and including June 15, 2013 and thereafter from year to year, unless and until either the Company or the Union serves written notice on the other, at least sixty (60) days prior to said date, that it desires to modify or terminate this Agreement. If the notice is for modification of the Agreement, it shall state with particularity the modification sought.

Negotiations will start twenty (20) days before the termination date of the Agreement, unless the parties mutually agree upon a different starting time.

2.2 In any year in which a notice to modify is given as provided in Article 2.1, this Agreement shall remain in full force and effect beyond the anniversary date and until a renewal Agreement is reached or until notice to terminate this Agreement is served by one party or the other. This Agreement shall terminate seven (7) days after receipt by a party of a notice to terminate given subsequent to the anniversary date.

2.3 The parties specifically waive any rights which either may have to bargain with the other during the life of the Agreement on any matter pertaining to rates of pay, wages, hours of employment or other conditions of employment whether or not covered by this Agreement except as provided in Article 18.4. In the event, during the life of this Agreement, the parties mutually agree to negotiate on a matter relating

to wages, hours, or working conditions, this Agreement may be amended to the extent that agreement is then reached.

2.4 In the event that any provision contained herein is adjudged in a court of law to be in conflict with any federal law, or with any law of the State of Arizona, such provision shall be void until such time as said adjudication may be reversed. Notwithstanding such adjudication of conflict, all of the other provisions of this Agreement shall remain in full force and effect.

ARTICLE 3 CONTINUITY OF SERVICE

3.1 The Company is a public utility engaged in public service requiring continuous service and it is agreed that recognition of such obligations of continuous service during the term of this Agreement is imposed on both the Company and the Union.

3.2 The Union agrees that during the life of this Agreement there shall be no strikes, slowdowns or stoppages of work called, authorized, approved or sanctioned by the Union because of grievances or any other reasons, and that all grievances shall be exclusively and finally disposed of as provided in Article 9.

The Union agrees that in the event of a violation of this Article, it will in good faith and without delay disavow such violation, exert itself to bring about a quick termination of such violation, and insist that the employee or employees involved cease such violation. To that end, the Union will promptly take whatever affirmative action is necessary.

3.3 During the life of this Agreement employees shall not cause or take part in a strike, slowdown or work stoppage and any employee who violates this provision shall be subject to discipline and discharge by the Company with the right of appeal to the grievance procedure only as to the determination of the question of the violation.

3.4 The Company agrees that during the life of this Agreement there shall be no lockout of employees because of grievances or any other

reasons and that all grievances shall be exclusively and finally disposed of as provided for in Article 9.

3.5 The Company and the Union will not discriminate against any employee in matters relating to employment because of race, color, religion, national origin, sex, age, marital status, membership or non-membership in the Union, non-disqualifying physical or mental disability or status as a disabled and/or Vietnam Era Veteran. References to one gender in this Agreement shall be deemed to include the other gender.

ARTICLE 4 MANAGEMENT RIGHTS

4.1 The supervision and control of all operations and the direction of all working forces are vested in the Company, including but not limited to, the right to hire, classify, assign, reassign, lay off, promote, demote, transfer, and discipline and discharge its employees for proper cause, provided any action does not conflict with explicit provisions of the Agreement. An employee who has been discharged or disciplined shall be advised, in writing, of the reason for such action and shall have the right of appeal through the grievance and arbitration provisions of this Agreement.

ARTICLE 5 UNION RIGHTS

5.1 The Company agrees to permit the Union to use reasonable space for the purpose of posting notices pertaining to Union affairs upon the bulletin boards, which are furnished by the Company. These notices shall be limited to official Union business and shall not contain any political material, or any partisan or anti-management propaganda.

5.2 The Union agrees that neither its officers nor any of its members will conduct any Union activities on Company time or Company property except for the negotiation of collective bargaining agreements with the Company under Article 2.1. Notwithstanding the foregoing, the Business Manager and Assistant Business Manager shall be permitted to visit a working place for the purpose of fulfilling the Union's obligation to the employees in the administration of this Agreement.

Permission for either of these Union representatives to confer with an employee during working hours must be secured from Labor Relations or other authorized management representative and the visit shall not interfere with the operations.

The visit must be related to the administration of this Agreement. Solicitation of membership, collection of dues and other Union business shall not be considered a valid reason for visiting an employee during working hours and such latter activity shall constitute grounds for refusal of further permission to visit a working place during working hours.

5.3 Should the Company consider subcontracting any function being performed by employees, it shall advise and provide the union the opportunity to suggest alternatives to such actions. This opportunity shall be provided and alternatives given good faith consideration before any decision to subcontract any said work.

In the event the Company contracts out any work, it shall, before awarding the contract, notify the union of the contractor's name and project contracted and supply the contractor a copy of the wage schedule listed in this Agreement and advise the contractor of the wage schedule listed in this Agreement and advise the contractor to ensure that their employees are paid accordingly. A contractor Groundman, when performing trench work, will be paid at a minimum of the Groundman 1st six months wage as listed in the wage schedule and all other classifications will be paid according to the classification time frames as listed in the wage schedule. Such wage schedule shall serve as a minimum for said contractor's employees in the classifications covered in this Agreement.

5.4 In the event the Business Manager desires to meet with the Labor Relations or other authorized management representative on a matter concerning the administration of this Agreement they shall advise Labor Relations or other authorized management representative of the proposed subject matter for discussion. If the Labor Relations or other authorized management representative and Business Manager deem the matter appropriate for discussion, a meeting shall be held at a time mutually agreeable.

5.5 Stewards of this unit shall be allowed reasonable time to consult with employees for the purposes of administration of the provisions of this Agreement. It is understood that such time shall not interfere with the usual work of the stewards or employee(s) unless prior authorization is obtained from the appropriate supervisor(s).

ARTICLE 6 STATUS OF EMPLOYEES

6.1 Employees covered by this Agreement shall be designated as regular, probationary, temporary or part-time.

6.2 All new employees shall be probationary employees during the first six (6) months of employment. Probationary employees may be discharged, laid off, demoted or transferred at the sole discretion of the Company. There shall be no recourse to the grievance and arbitration procedures by or on behalf of a probationary employee. Probationary employees shall be entitled to coverage of the provisions of this Agreement except as modified by this or any other provision of this Agreement. Upon satisfactory completion of the probationary period, an employee will obtain seniority retroactive to their date of hire.

6.3 A temporary employee is one who is hired for no more than six (6) months except in instances when the temporary employee is hired to replace an employee who is on a leave of more than six (6) months, in which case the Company may retain the temporary employee for the term of such leave. A temporary employee may be extended beyond six (6) months with the agreement of the Union; such agreement shall not be unreasonably withheld. Any temporary employee may be discharged, laid off or transferred at the sole discretion of the Company without recourse to the grievance and arbitration procedure. If a temporary employee becomes a regular employee, the employee will be credited with seniority, on a prorated basis, retroactive to their most recent date of hire. If while working as a temporary employee, an employee is offered, and accepts, the opportunity to become a regular or part-time employee, in the same position that they had been working as a temporary employee, the time an employee has worked since

their most recent date of hire will count toward completion of their probationary period.

6.4 A regular employee is a full-time employee who has satisfactorily completed their probationary period.

6.5 Part-time employees are those employees whose regularly scheduled workday or workweek is less than the established workday or workweek.

6.6 At the end of each quarter, the Company shall furnish the Union the names, addresses, job classifications and dates of the employment of all new, transferred, terminated and promoted employees covered by this Agreement.

6.7 It is understood and agreed that so long as any person is employed by the Company, their primary job interest and employment obligation shall be to the Company. If any outside employment activity has an adverse impact on the Company or affects the employee's ability or availability to perform the work as required or requested by the Company, they may be required by the Company to limit or drop such activity or leave the employment of the Company. Any such situation of this nature shall be reported to the Director, Labor & Employee Relations and together with the Business Manager of the Union they shall first review the matter before further action is taken by the Company.

6.8 Employees are prohibited from taking other employment of like or similar work while off on approved sick leave or as a result of a work related injury or illness and for which they are receiving worker's compensation benefits.

ARTICLE 7 HOURS OF WORK AND OVERTIME

7.1 Eight (8) or ten (10) hours in one (1) day (five (5) continuous day workweek and four (4) continuous day workweek respectively) shall constitute the normal working day. The Company shall establish the starting time of each employee or group of employees covered by this

Article. The starting time of day shift will normally be fixed to occur between the hours of 5:00 a.m. and 9:00 a.m. Employees covered by this Article shall be given a non-compensable lunch period not to exceed one (1) hour. Any employee directed by the Company to take their lunch period a least one (1) hour before the start of their regular lunch period, or more than one (1) hour after the end of their regular lunch period, will be paid for the lunch period at their straight time rate of pay, and be given sufficient time on Company time to eat their lunch. If paid for under this Article, the said lunch period shall not be counted as time worked for overtime purposes.

- Work performed prior to the normally established fixed start time shall be paid at the applicable overtime rate.
- The normal start time shall be fixed for an employee working Monday through Friday, or Monday through Thursday, or Tuesday through Friday and shall be the same for each day of the work week.

7.2 The employee's workweek shall be established by the Company and shall be governed by the employee's working schedule. Changes in the workweek (i.e. 5 – 8 hour day or 4 – 10 hour day schedules) will be made only upon two (2) week's notice. Changes in the scheduled working hours (i.e. starting time at 7:00 a.m. instead of 6:00 a.m.) may be made upon two (2) days notice. This paragraph is not intended to be used to randomly move start times to avoid overtime payments.

7.3 (a) Time worked in excess of forty (40) hours per week in the employee's workweek shall be considered overtime and shall be paid for at one and one half (1 ½) the regular straight time rate of pay. Time worked in excess of eight (8) hours (for those working an eight (8) hour day) or ten (10) hours (for those working a ten (10) hour day) in the workday shall be considered overtime and shall be paid for at one and one half (1 ½) the regular straight time rate of pay. There shall be no pyramiding of overtime.

7.3 (b) Time worked on the sixth (6th) day (Saturday) for those working a five/eight (5/8) schedule Monday through Friday; time worked on the

fifth (5th) and sixth (6th) day (Friday and Saturday) for those working a four/ten (4/10) schedule Monday through Thursday; and time worked on the fifth (5th) and seventh (7th) day (Saturday and Monday) for those working a four/ten (4/10) schedule Tuesday through Friday; shall be paid for at one and one half (1 ½) the regular straight time rate of pay. Time worked on Sunday shall be paid for at two (2) times the regular straight time rate of pay. Should the Company schedule an employee for a workweek that has Saturday or Sunday as a regularly scheduled workday, the Company and the Union shall immediately negotiate the question of the application of this paragraph b of this Section.

7.3 (c) Should an employee fail to work forty (40) hours during their regularly scheduled workweek due to an unexcused absence, one and one half (1 ½) the regular straight time rate of pay shall not be paid per the provisions of this Section only for hours actually worked beyond forty (40).

7.4 (a) An employee called for duty at a time outside their regular work shift shall receive a minimum two (2) hours pay at the applicable overtime rate. It is understood that the employee shall respond promptly to such call out. Time shall commence at the time the employee is first called. Time ends upon the employee returning home and or when they clear themselves with the System Operator / Supervisor. Reasonable travel time to and from home will be considered as time worked. The application of overtime will continue until arrival at the next work assignment or return to the employees normal work location.

7.4 (b) Employees who perform work outside their regular work schedule shall be paid at the applicable overtime rate until such work has been completed. When such work extends into the employee's regular work day, the employee shall continue to receive the applicable overtime rate of pay, until such time as the employee completes the work. All hours worked on their normal shift after the work has been completed shall be paid on a straight time basis.

- Travel home that takes place during the employee's regular work day hours for sleep time shall be paid at the applicable

overtime rate if no other assignments were completed after the work was complete.

7.5 (a) Sacred Time: Sacred time is that period of time commencing ten (10) hours prior to and ending at the start of the normal work schedule.

7.5 (b) Rest Time: Rest time earned is calculated hour for hour for time worked during the sacred hours. Employees on rest time will be paid at their regular straight time rate of pay. It shall be the responsibility of each employee to advise their supervisor of time worked during sacred hours and the time that the employee is expected to return to work from their rest time.

7.5 (c) In the event that an employee is called to duty or works during their sacred time and the work continues into and/or through their normal work hours, without receiving earned rest time, then the employee shall receive the applicable overtime rate of pay in addition to their regular or straight time pay for those hours worked during their normal work day.

- If because of circumstances beyond the control of the employee, earned rest time is not available to be taken during the normal workday schedule, the employee shall receive said earned rest time at the straight time rate of pay in lieu thereof.
- After the work is completed, employees may, at their option and with supervisory approval, continue to work into their normal workday schedule (at their normal straight time rate) and then utilize earned rest time to complete the normal workday.

7.5 (d) If an employee is required to start work within two (2) hours prior to the start of their normal shift they will be paid at the applicable overtime rate until the work is completed. They will not, however, have this time count as eligible sacred time or earn rest time for that time worked.

7.6 Employees shall not normally be required to stand-by outside of the regular workweek or workday. Stand-by time, if required by the Company, will be paid for at one quarter (1/4) the straight rate of pay and shall not be included in the computation of overtime. An employee on stand-by shall remain in an area where they can be reached promptly

by telephone and be able to report to their permanent headquarters within thirty (30) minutes.

Employees may be required to be on call. Employees on call will not be required to “stand-by” a telephone, but may be required to carry a cell phone furnished by the Company and respond to calls promptly. For each hour that an employee is on call, they will receive \$2.50; \$3.50 for hours that occur on a holiday. On call time shall not count as time worked for overtime or other purposes. Employees on call or stand-by shall have priority status regarding call-outs before other employees, unless emergency situations dictate otherwise.

7.7 When employees who are sent on out-of-town work are required to stay overnight, the Company will provide lodging. In addition, for employees who are sent on out-of-town work, the Company will reimburse them for meals in an amount not to exceed \$10.00 for breakfast, \$12.00 for lunch, and \$18.00 for dinner. When an employee is entitled to receive three (3) meals in a day, they may allocate the \$40.00 as they wish. This will not apply to noonday meals where employees start from and return to headquarters every day, nor does it apply to employees hired for any particular job, which may be in another district.

When an employee is sent to work in another district during their shift and prior to their lunch period, and the employee has not been notified of the trip at least one (1) hour prior to the start of their shift, the Company at its option will either provide a lunch for the employee or allow the employee enough time to procure a lunch prior to their departure. This paragraph will not apply to employees who normally bring their lunch to work, nor will the time allowed an employee to procure a lunch to exceed thirty (30) minutes. An employee ordered out of town on a trip, which, it is expected, will require them to remain away overnight, will be permitted to draw a reasonable amount of expense money in advance. The Company will not be required to advance expenses unless the request is made during business hours Monday through Friday. In any event, the Company, at its option, may arrange for and allow an employee to charge their travel expenses at a designated restaurant or hotel. The employee shall account to the Company with receipts for their expenses.

7.8 Employees shall report at their appropriate headquarters. Employees of all departments shall travel from job to job on Company time.

7.9 When an employee is released from duty prior to the end of the shift, they shall receive pay for the time worked or for two (2) hours, whichever is greater. Employees permitted to leave at their own request shall be paid only for the hours worked.

7.10 There will be two (2) fifteen 15 minute relief periods in a normal workday. Such relief periods will be granted, if consistent with the efficient conduct of the operations, at approximately the second (2nd) and sixth (6th) hours of an employee's normal workday and will be taken at the job site. Relief periods shall be considered and paid for as time worked.

7.11 Nothing contained in this Article or elsewhere in the Agreement shall be construed to guarantee any particular number of hours of work on a workday or in a workweek.

7.12 No employee will be required to take time off for overtime worked for the purpose of leveling off total earnings.

7.13 Flex Time. The parties agree to relax the provisions of Article 7 to allow for flextime to be used on an occasional basis excluding the line construction department. Employees shall be permitted to flex up to four (4) hours in a workweek. Such scheduling changes shall be made only with the approval of the Company, and employees will work flextime on a voluntary basis only. Flextime will only be permitted when it is not disruptive to the operation of the Company. Flextime may be used for any reason.

ARTICLE 8 SENIORITY

8.1 There shall be 2 types of seniority: **Company** seniority and **Departmental** seniority. Company seniority is the total length of continuous service with the Company. Departmental seniority is the total length of continuous service in a particular department and is the seniority to be considered in intradepartmental matters, e.g. vacation selection.

8.1 (a) Seniority for employees hired on the same date will be determined by using the last four (4) digits of the employee's Social Security Account Number, with the highest number determining the higher or highest seniority.

8.2 It is understood and agreed that in all cases of transfer, promotion, decrease of personnel, or recall after layoff, the following factors shall be considered and where factor 2 is equal, factor 1 shall govern:

1. Company Seniority.
2. Knowledge, training, ability, skill, and any disciplinary action within the last three (3) years.

The Company shall post the job for bids. One bid notice shall be posted on each departmental bulletin board, for a period of ten (10) working days. Any employee who has worked nine (9) months or more in their current occupational classification may bid on the vacancy and the job shall be awarded to the qualified employee having the longest Company seniority provided, however, that if the rate of pay for the vacancy is lower than the then rate of pay of a bidding employee, the Company shall have the option of rejecting or accepting the bid. The nine (9) months noted above will be construed as of the closing date of the job bid. After the job has been awarded the Company shall post the name of the successful bidder, or, if no qualified employee bids, shall post a notice to that effect until the bidding procedure is complete, and if the bidding procedure has not accomplished the filling of the vacancy, the Company may fill the vacancy from any source.

An employee appointed to a higher rated classification in accordance with this provision shall be placed at the entry-level rate of pay or their current rate of pay (whichever is higher). Upon satisfactory completion of six (6) months in the new classification, the employee shall be moved to that step that is next higher than their then current rate.

Any employee voluntarily bidding on a new position which carries a thereafter or maximum hourly compensation rate lower than their current rate will go to the appropriate rate for the new position. The only allowable exception shall be in instances where an employee is moved to a new position as a result of a lay-off, general re-organization

and being bumped. In that case, the employee shall have their hourly rate frozen until such time that the rate of their new position reaches and then exceeds their frozen rate.

8.3 When it becomes necessary for the Company to lay off regular employees due to lack of work, the Company shall give those employees at least two (2) week's notice or ten (10) days straight time pay in lieu thereof. Full time probationary employees who have worked at least 250 hours for the Company shall be given one (1) week's notice of a lay off or five (5) days straight time pay in lieu thereof. Part-time employees, including those in their probationary periods who have worked at least 250 hours for the Company, shall be given one (1) week's notice of a lay off or straight time pay for 1/4 of the hours they have worked during the four (4) weeks preceding the layoff.

With respect to temporary employees, no notice of layoff, or payment in lieu thereof, shall be required.

Prior to the layoff of a regular employee, the Company will make a reasonable effort to determine if there is a vacancy, for which the employee is qualified to fill.

8.4 In determining an employee's company seniority rights, continuity of their service shall be deemed to be broken by reason of any of the following:

- a. Resignation.
- b. Discharge.
- c. Layoff for more than six (6) months if the employee has five (5) years or less of Company seniority, or lay off for more than twelve (12) months if the employee has more than five (5) years of Company seniority.
- d. Failure to report within five (5) days after sending of notice of recall from lay off.
- e. Leave of absence in excess of up to twelve (12) calendar weeks.

8.5 An employee laid off by the Company shall keep the Company advised of any change of address. The five (5) day period provided for in Article 8.4(d) shall run from the date on which the Company sends a notice of recall by certified mail to the last known address of the employee.

8.6 Company seniority for employees entering the Armed Forces under the Uniformed Services Employment and Reemployment Rights Act (USERRA) of 1994 shall accrue while they are absent on military duty in accordance with the applicable provisions of the Act.

8.7 The Company shall post Company and Departmental seniority lists annually. If no opposition shall be made in writing within thirty (30) days after posting, the respective seniority list shall be considered correct as posted in each area.

8.8 An employee transferred from the bargaining unit to another position within the Company shall accrue departmental seniority for up to twelve (12) months, and will be credited with their accumulated seniority for that time in the event they return to a job within the bargaining unit.

8.9 An employee off duty due to industrial accident suffered while in the employ of the Company shall retain all seniority rights for the period during which they are entitled to benefits under Article 16.1. An employee off duty due to sickness or non-industrial accident shall retain all seniority rights for the period of their accrued sick leave.

ARTICLE 9 GRIEVANCES AND ARBITRATION

9.1 A grievance is an actual dispute or controversy concerning the interpretation or application of any provision of this Agreement in connection with a specific act or situation.

9.2 A regular employee who believes they have a grievance may present the matter in accordance with the provisions of this Article either personally or with the assistance of a Union representative.

9.3 Before filing a grievance pursuant to Step 1 of this Article, an employee must discuss the matter with their immediate supervisor and attempt to resolve it.

Step 1. If the employee has been unable to resolve the matter by discussing it with their supervisor, they may file a grievance with their department head or other designated representative within

seven (7) calendar days of the occurrence of the alleged violation. The grievance must be written, and signed and dated by the aggrieved employee. The grievance shall set forth the nature of the grievance and the facts upon which it is based, the remedy which is desired and the Article or Articles of this Agreement claimed to have been violated. The formal written grievance shall be on a form provided for this purpose by the Union.

Step 2. If the grievance is not resolved within seven (7) calendar days after submission to the department head, it may be appealed to the appropriate Manager. The written appeal must be presented to the appropriate Manager no later than the fourteenth (14th) calendar day after the grievance was filed with the department head.

Step 3. If the grievance is not resolved within fifteen (15) calendar days after submission to the appropriate Manager, it will then be addressed by the Union's Business Manager or authorized representative and the Company's Director, Labor Relations or authorized representative for possible resolution. Such meeting will be conducted within fifteen (15) days after being referred to the respective parties at this step.

Step 4. If the grievance is not resolved at any of the above noted steps, it may be appealed to arbitration. Written notice of the appeal to arbitration must be given to the Director, Labor Relations or their authorized representative no later than the thirtieth (30th) calendar day after the appeal was filed with the Director, Labor Relations or authorized representative. No grievance may be appealed to arbitration unless all of the procedures set forth in this Article have been followed.

9.4 In the event any of the time limits contained in this Article for the filing or appealing of grievances shall be exceeded, the grievance shall be considered dropped. Any time limit, or exclusion of any of the above steps, except that provided for in the initial filing of the grievance, may be extended or bypassed by mutual agreement of the Company and the Union.

9.5 After the Union gives notice to the Company of its desire to proceed to arbitration, the parties, unless they mutually agree to do otherwise, shall jointly request the Federal Mediation and Conciliation Service (FMCS) to furnish a list of seven (7) arbitrators, from which the parties shall select the arbitrator. The FMCS shall be directed to provide a list which is limited to people with at least five (5) years of experience as an arbitrator and who is a member of the National Academy of Arbitrators. After the list has been received, the parties shall alternately strike a name until only one (1) remains. The one (1) remaining shall be the arbitrator chosen. The party striking first shall be determined by lot.

9.6 The arbitrator shall conduct the hearing only on the controversy at issue as formulated on the written grievance provided for in Article 9.3. Both parties shall be allowed to present such evidence and make such argument relating to the controversy as is pertinent. The parties may call such employees as are deemed necessary as witnesses in any proceeding before the arbitrator, and, if an employee is on duty, the Company agrees to arrange for them to appear as a witness, provided it receives forty eight (48) hours notice. The party calling them will reimburse them for all expenses, including time lost. Each party shall bear the expense of preparing and presenting its own case. Expenses of the arbitrator and incidental expenses mutually agreed to in advance shall be borne equally by both parties.

9.7 The decision of the arbitrator shall be final and binding upon both parties, provided that such decision shall not in any way add to, disregard or modify any of the provisions of this Agreement, or rule on any questions except the one submitted for arbitration.

9.8 These grievance and arbitration procedures constitute the sole and exclusive procedure for the processing and resolution of any grievance. As the representative of the employees, the Union may, at any step in the grievance procedure, settle a grievance or decline to process it further. Any resolution of a grievance shall be final.

9.9 The Shop Stewards shall be designated by the Union and their names shall be supplied to the Company. All meetings with the

Company representatives on grievance matters shall be conducted after the conclusion of the workday. An employee who believes that he has a grievance may briefly bring the matter to the attention of their supervisor or a Shop Steward during working hours so long as doing so does not result in a work stoppage or slowdown or any other interference with the work of any employee.

ARTICLE 10 SAFETY

10.1 The Company will continue to provide safety manuals to be used by the employees in the performance of their work. The Company will fulfill its obligation to provide safe working conditions and to provide such safety equipment as is required to be used by the safety rules and regulations. The employees will use the safety equipment provided and will adhere strictly to the provisions of the safety manual in the performance of their work.

10.2 The Company will supply all specialty tools and safety equipment, but the employees will supply, at their own expense, all personal non-insulated hand tools.

The Company shall furnish replacements after the employee has worn out the original equipment for the following items: personal hand tools, and leather work gloves; and for Journeyman Linemen, Apprentice Linemen and Groundmen, lineman's long gauntlet leather gloves and short cuff leather gloves. The items referred to in this paragraph must be inspected and approved by a Company representative to determine if they qualify for replacement pursuant to this provision. Abused, neglected or lost items will not be replaced.

All specialty tools and safety equipment including climbing ensembles (Belts, hooks, safety straps and gaffs) provided by the Company for covered classifications will remain the property of the Company if they were not replacements of items that the employee originally purchased. Climbing ensembles will be subject to the same replacement provisions as noted above.

For classifications whose duties include climbing poles as a normal part of their duties, the company will provide an annual boot allowance not to exceed \$100.00 payable upon proof of purchase.

10.2(a) Prescription Safety Glasses. The Company agrees to provide prescription safety glasses for employees engaged in field operations and whose work is of such nature that such glasses are necessary. Such glasses will be provided as required and replaced by the Company when they become unusable or broken while working on the job. Replacement will be because through reasonable fair wear and tear, or when changes in the employee's optical prescription makes new lenses necessary with a minimum of two (2) year intervals for such prescription changes.

10.3 When an employee is in a position that requires a Commercial Driver's License (CDL), the Company will provide appropriate equipment and release time, if necessary, with no loss of pay or benefits to take the necessary tests. Once an employee successfully attains said CDL, the Company will reimburse the employee for all reasonable and customary licensing costs including testing and renewal fees associated with the CDL. The Company shall provide for the necessary physical examination or, at its option, reimburse employees for the reasonable expense of such exam, for renewal of the employee's medical card.

10.4 The Company will endeavor to hold safety meetings once per month. Pole top resuscitation will be made a part of the safety program.

10.5 The Company and Union hereby agree to establish an Electric Operations Safety Advisory Committee to address specific safety issues related to the Electric Operations of Mohave County.

This Committee will be made up of employees from both Management and the Bargaining Unit. This Safety Advisory Committee will organize itself, as it deems appropriate and meet on an as needed basis.

10.6 The dangers and costs, which alcohol and other chemical abuses can create in terms of safety and productivity, are significant. The parties to this Agreement resolve to combat chemical abuse in any form and agree

that to be effective, programs to eliminate substance impairment should contain a strong rehabilitation component. The parties recognize the employer's right to adopt and implement a drug and alcohol policy subject to all applicable laws and regulations, procedural safeguards, scientific principles, and legitimate interests of privacy and confidentiality. When drug and alcohol testing is performed, all testing shall be conducted in accordance with the procedures outlined in the aforementioned policy.

The Company will provide the Union with an opportunity to review, comment and discuss its policy and work rule(s) prior to implementation. The Company recognizes the right of the Union to grieve the reasonableness of the policy and work rule(s) as well as the Union's right to grieve the proper cause of any disciplinary action or discharge that may result from application of the policy or work rule(s).

ARTICLE 11

11.1 The following days shall be considered as holidays:

New Year's Day

Thanksgiving Day

Memorial Day

Day after Thanksgiving

Independence Day

Christmas Day

Labor Day

Five (5) Floating Holidays

Eligible regular employees will be paid eight (8) hours of pay at their regular straight time rate for a holiday. Should the Company determine to maintain a 4/10 schedule (rather than revert to 5/8s) during a week that includes one of the above fixed holidays, employees working such schedule shall be paid ten (10) hours of pay at their regular straight time rate for the holiday. Should the holiday fall on a regularly scheduled day off, it shall be observed on the first scheduled workday before or after the holiday. Should the Company decide to revert back to a 5/8 schedule for those on a 4/140 schedule, such decision must be made and communicated to those affected in the week prior to the Holiday occurring.

In the case of newly hired employees, the floating holiday entitlement shall be in accordance with the following:

- Five (5) days if hired from January 1 through February 28 (or 29);
- Four (4) days if hired from March 1 through April 30;
- Three (3) days if hired from May 1 through June 30;
- Two (2) days if hired from July 1 through August 31;
- One (1) day if hired from September 1 through October 31;
- None if hired from November 1 through December 31.

All holidays including Floating Holidays must be taken in the current calendar year and cannot be carried over into the subsequent year.

Eligible regular employees scheduled to work a 4/10 schedule will be paid the number of hours at the regular straight time rate for a floating holiday that they would normally be scheduled to work at such day. Such paid hours will be deducted from a total calendar year entitlement of forty (40) floating holiday hours.

Eligible part-time employees who work regularly for the Company will be paid holiday pay on a prorated basis. This pro-ration shall be a fraction of the holiday pay to which eligible regular employees are entitled. This fraction shall be the number of hours worked by the part-time employee in the twelve (12) weeks preceding the week in which the holiday occurs divided by 480.

An employee must request Floating Holidays in advance. The Company will grant the request when it is consistent with the efficient conduct of the operations to do so.

The hours for which holiday pay is paid pursuant to this Article 11.1 shall be counted as time worked for purposes of Article 7.3.

11.2 When a holiday falls on a Sunday, the following Monday shall be observed as the holiday. When a holiday falls on a Saturday, the preceding Friday shall be observed as the holiday. All employees on revolving shifts shall observe holidays as they fall.

11.3 An employee who does not report for work on their last scheduled day before or their first scheduled day after a holiday and such absence has been deemed an unexcused absence shall receive no pay for the holiday.

11.4 If a holiday occurs during an employee's vacation, an additional day of vacation shall be given to the employee or, at the option of the Company, the employee may be paid holiday pay in lieu of an additional day of vacation. When an additional day of vacation is given to the employee, the employee must notify their supervisor of the date on which they want to take the vacation day at least two (2) weeks in advance. The date on which the additional day of vacation is taken is subject to the approval of the Company.

11.5 When an eligible regular or part-time employee is required to work on a holiday, they will be paid two (2) times their hourly rate for the time worked and they will also receive holiday pay in accordance with Article 11.1. When a probationary employee works on a holiday, they will be paid two (2) times their hourly rate for all hours worked.

ARTICLE 12 LEAVE OF ABSENCE

12.1 At the discretion of the Company, a leave of absence without pay, not to exceed twelve (12) calendar weeks, may be granted for personal reasons to regular employees who have completed at least one (1) year of continuous service. Such a leave of absence, if granted, will not affect any employee's seniority status, except that time spent on a leave of absence shall not be included in the computation of time spent by an employee within a progression step when determining whether such employee has completed such progression step. Employees will be expected to pay for their share of their enrolled benefits during such term of the leave of absence by making arrangements with the Company.

12.2 If an employee fails to return immediately on the expiration of their leave, or if they make application for unemployment benefits while on leave or if, while on leave, they accept employment of any nature with another employer, they shall thereby forfeit the leave of absence and their employment with the Company shall be terminated.

12.3 Leaves of absence shall be granted to employees who are subject to and eligible for military draft and/or who have otherwise entered the armed forces of the United States. Any such leave of absence and the reinstatement of any such employee shall be subject to the terms of the Uniformed Services Employment and Reemployment Rights Act (USERRA) of 1994 and any other state or federal statutes that may be applicable.

12.4 The Company will at the request of the Union grant a leave of absence for periods not to exceed three (3) years to an employee who is appointed or elected to an office or position in the Union and whose services are required by the Union. The Company shall not be obligated to grant leaves of absence for Union business to more than one (1) employee at any one time. The seniority of any employee who is granted a leave of absence for Union business shall not accrue during the period of such leave.

12.5 Leaves of absence granted an employee shall not affect the employee's eligibility for vacation.

ARTICLE 13 APPRENTICESHIP RULES

13.1 An apprentice who has completed the 8th six (6) months period of their apprenticeship shall be moved to Journeyman status provided that they can pass the qualifying examination.

ARTICLE 14 VACATIONS

14.1 Regular employees are entitled to take vacation in the calendar year in which they are hired in accordance with the following schedule:

- Six (6) days if hired between January 1st and April 30th;
- Three (3) days if hired between May 1st & August 31st;
- None if hired between September 1st and December 31st

On January 1st of the following calendar year, the employee will then be eligible for eighty (80) hours of vacation.

Commencing in the calendar year in which the employee attains 1 year of service but less than 5.....	80 hours
5 years of service but less than 15.....	120 hours
15 years of service and over.....	160 hours
25 years or more service.....	200 hours

14.2 Eligible part-time employees shall be allowed vacation with pay in accordance with the above schedule, prorated based upon the number of hours they have worked as a portion of the regular work year (2080 hours) in the twelve (12) months prior to January 1.

14.3 Probationary Period. Time worked during a probationary period will be recognized in determining eligibility. However, employees whose employment is terminated before or at the end of the probationary period will not be entitled to any vacation pay.

14.4 On termination of employment due to layoff, retirement or voluntary resignation accompanied by two (2) weeks notice, a regular or part-time employee shall receive the value of any earned unused vacation in their final paycheck. Any vacation carried over from a previous year will be considered earned. Unearned used vacation will be deducted from an employee’s final paycheck.

14.5 The scheduling or assigning of vacations must of necessity be regulated by the Company and Departmental requirements. The scheduling or assigning of vacations shall be made no later than February 1st of each year. If two (2) or more employees request vacations during the same period, the employee’s preference, in Departmental seniority order, shall govern, subject, however, to the right of the Company to schedule or assign vacations.

14.6 Should an employee be absent on account of illness or accident at the time their vacation would otherwise begin, the vacation may be postponed, provided arrangements are made consistent with Company and Departmental requirements. Illnesses occurring during a vacation will not apply under this provision, except in the case of an approved FMLA absence.

14.7 Employees may carry over up to eighty (80) hours of unused vacation time from one year to the next, but no more than 240 hours of total vacation time can be accumulated. Any carryover vacation time above eighty (80) hours will be paid to the employee in January of the carryover year at the previous rate of pay in effect on December 31.

Starting with calendar year 2011, unused vacation will no longer be paid out. Vacation hours exceeding either the annual carryover cap or the “carry-over bucket” limit must now be used in the current year.

To ease the transition to these new limits, the carry-over bucket will be expanded to 320 hours and the 80- hour limit will be waived for 2011. These changes will give employees who have accumulated significant vacation hours additional time to work through that balance.

ARTICLE 15 SICK LEAVE

15.1 Sick leave time off duty will be granted to all regular employees after the first six (6) months of continuous service whenever unable to work due to illness or disability. Employees on such authorized sick leave shall receive full pay (based on the employee’s basic straight time hourly rate) until the date that coverage under the Company’s LTD plan may commence.

A doctor’s certificate covering the illness may be required by the Company as a condition of returning to work after a period of three (3) consecutive days off. A doctor’s excuse may also be required for lesser periods of time if there is evidence of abuse or an inability to return to work.

15.2 General. In case of illness the employee shall, on the first day of absence, promptly notify their Supervisor or appropriate Manager. Whenever possible, this should be done before the regular hours of work.

15.3 Any abuse of the sick leave privileges conferred by this Article shall be considered just cause for immediate dismissal.

ARTICLE 16
SUPPLEMENTAL WORKERS’
COMPENSATION BENEFIT

16.1 Regular employees who are unable to work on account of a compensable industrial injury shall have made up to them by the Company sufficient pay to bring their total remuneration to 100% of their regular base pay. If the industrial accident causing the injury occurred as a result of gross negligence of the employee or a violation of the Company’s safety rules, the employee shall not receive the benefits provided for by this Article.

16.2 Payments under this Article shall be made for the time the employee is unable to work due to the compensable industrial injury, or for a period of twenty six (26) weeks, whichever period is shorter.

ARTICLE 17
GROUP INSURANCE AND PENSION PLANS

17.1 The UNS Electric, Inc. Medical Plan, Dental Plan, Vision Plan, Long Term Disability Plan, Employee Assistance Program, Flexible Spending Accounts Plan, Life Insurance Plan, 401(k) and Pension Plan effective August 11, 2003 shall be continued in effect for employees. The parties have agreed that the PPO1, PPO2 and PPO3 medical plan options will remain in effect for the term of this agreement. Employee premium contribution rates of 20%, 16% and 6% for these respective plans shall also remain for the same term except that the PPO1 plan will increase to 21% in January of 2013. The employee contribution level for the Self Funded Dental Plan shall be 20% for the term of the agreement. The parties agree that should the anticipated annual increase to the monthly premium rates for these plans exceed 10%, they will meet and confer to discuss alternatives and potential concepts to mitigate those increases.

The parties acknowledge all of terms of said Plans. Specifically, the parties acknowledge the reservation of rights provisions in Article 9.2 of the Medical and Dental Plan and Article 7.2 of the Managed Mental Health and Substance Abuse Plan.

Newly hired employees will be automatically enrolled in the 401(K) Plan at a 3 % participation level and subject to the rules of the Plan. Employees may voluntarily opt out of participating in the Plan at any time.

ARTICLE 18 GENERAL

18.1 When an employee is called out for unscheduled work, the Company shall provide a meal if such work extends for a period of four (4) hours, and thereafter at six (6) hour intervals until relieved from duty. When an employee is called out and works for two (2) hours or more prior to and consecutive with their work schedule, which they also work, the Company will provide a meal. When an employee works overtime after their regular work shift, the Company shall provide a meal if such work extends for a period of two and one-half (2 ½) hours and thereafter at six (6) hour intervals until relieved from duty. When employees are required to perform work on non-workdays of which they had notice on the previous day, they shall observe the meal arrangement, which prevails on their previous workdays. Meals provided pursuant to this Article 18.1 will be reimbursed by the Company in an amount not to exceed \$10.00 for breakfast, \$12.00 for lunch, and \$18.00 for dinner, or payment in lieu thereof.

18.2 In accordance with applicable laws and except in emergency circumstances, employees will not be assigned to work in jobs normally performed by other UNS Electric, Inc. employees at a time when such other employees are legally on strike.

18.3 In the event an employee shall be required to work in a job classification higher than their regular classification for a period of two (2) hours or more, such employee shall receive the rate of pay for the higher classification that is next higher than the employee's rate of pay in their regular classification or \$.35, whichever is greater. In no event, however, can the employee be paid more than the top rate of pay for the higher classification. However, an employee may be required to work in a higher classification for less than two (2) hours at their regular classification rate of pay. Unless permanently demoted, an employee shall receive their regular classification rate of pay for

all work performed in a lower classification. An employee assigned full supervisory responsibilities for at least two (2) other employees for more than two (2) hours shall be paid at 108% of their current rate for all hours so assigned. It is understood that Journeyman, 8th Step Apprentice or Journeyman Substationman employees so assigned are to be paid at the rate of Working Foreman.

18.4 The Company shall set the rate of pay for any new classification covering work normally performed by the employees within the bargaining unit. Within thirty (30) days after the establishment of any new classifications and the assignment of a rate of pay thereto by the Company, the Company shall notify the Union, and the Union may notify the Company that it disagrees with the rate of pay that has been fixed by the Company. Upon receipt of such notice, the Company and the Union shall promptly enter into interim negotiations, which shall be limited to a discussion of the rate of pay established by the Company for the particular job. If the parties are unable to arrive at a mutually satisfactory rate of pay for the new job, the Union may notify the Company that it wishes to appeal the matter to arbitration and thereafter the proceedings shall be governed by the provisions of Article 9 hereof.

18.5 New employees who can verify previous actual or allied experience to the satisfaction of the Company may be paid a rate at hiring commensurate with the value of such experience to the Company's operation. Adjustments in the employee's rate of pay may be made during the employee's probationary period.

18.6 Work normally done by the employees covered herein shall not be performed by supervisory employees of the Company except under the following conditions:

1. Emergencies.
2. For the purpose of personnel training and instruction.
3. When there is no employee covered herein immediately available.

18.7 When special instructions or schooling is required by the company, such instructions or schooling will be held on company time. If held after the normal scheduled work day or beyond the normal forty (40) hours per week, the employees shall be compensated at the overtime

rate except that the overtime rate shall not apply to attendance at schools not conducted by or on behalf of the company.

Travel time during an employee's regularly scheduled shift will be paid at the applicable straight time rate. All other travel time will be paid at the rate of time and one-half.

18.8 The Company shall not require any employee within the bargaining unit to work more than sixteen (16) continuous hours except in cases of an emergency. In the event an employee works over sixteen (16) continuous hours, all hours beyond sixteen (16) shall be paid at double the straight time rate of pay.

18.9 The Company will have paychecks available by 3:00 p.m. on every other Friday (Thursday for those whose workweek ends on Thursday) for employees to pick up at the places where they report to work. If a payday falls on a designated holiday, the preceding workday shall be the payday.

Pay for employees will be done through check or direct deposit to an account or accounts so provided by the employee with recognition for all legally required deductions and those authorized by the employee.

Employees are encouraged to have their net pay, after deductions have been made, deposited directly with financial institutions of their choice so long as those institutions are compatible with the Company's payroll systems and do not require additional special programming. Direct deposit is not intended as a replacement for method for personal financial obligations. Direct deposit will be limited to no more than two (2) accounts which may be at two (2) different institutions per employee.

Pay checks and/or direct deposit advices will not be provided to any other person other than the employee unless the employee so advises the Company in advance and in writing. Such notification will be in effect for the payday so noted.

18.10 The Union shall select a printer to print this Agreement and the Union and the Company shall share the costs equally for printing an adequate number of copies of the Agreement.

18.11 If an employee has no performance problems that involve disciplinary or corrective action over a three (3) year period (excepting major infractions such as drugs, alcohol, theft, insubordination or violation of the Company's safety manual), any disciplinary or corrective action taken prior to that three (3) year period will be removed from the employee's file and shall not be used as a factor in any future employment decision.

18.12 Employees shall have the right to review their Human Resources personnel file two (2) times a year during the employee's own time. The employee may append a written response to any matter contained therein to which the employee disagrees.

18.13 A heavy construction rate of \$1.00 per hour will apply for members of an overhead line construction crew involved in the assembly, construction and maintenance of 69kv lines or higher, energized or not.

18.14 COPE DEDUCTION:

The Employer agrees to deduct and transmit to IBEW/COPE an amount of \$_____ from the wages of each employee who voluntarily authorizes such contributions on the forms provided for that purpose by IBEW/COPE.

These transmittals shall occur monthly and shall be accompanied by a list of names of those employees for whom such deductions have been made and the amount deducted for each such employee.

**ARTICLE 19
CHECK-OFF**

The Company will deduct and promptly remit to the Financial Secretary of the Union at 3232 North 20th Street, Phoenix, Arizona, 85016, the regular membership dues of any covered employee who has on file a valid signed assignment authorizing such deduction in the following form:

DUES CHECKOFF AUTHORIZATION

I hereby authorize UNS Electric, Inc., Mohave County Electric Operations, (the Company), to deduct from my wages each month the regular membership dues of Local Union 769, I.B.E.W., and authorize the payment of such deduction to Financial Secretary, Local 769, I.B.E.W., 3232 North 20th Street, Phoenix, Arizona 85016.

This authorization shall continue in effect for one (1) year from the date hereof, or until termination of the current Agreement between the Union and the Company, whichever occurs sooner, and for successive periods of one (1) year each or for the period of each succeeding applicable Labor Agreement between the Union and the Company, whichever shall be shorter, unless written notice is given to the Union within the thirty (30) day period immediately preceding the expiration of each period of one (1) year or of each Labor Agreement between the Union and the Company, whichever occurs sooner.

Date: _____

Employee's Signature: _____

**ARTICLE 20
JURY DUTY**

The Company will allow employees time off without loss of straight time earnings if they are called to serve as a trial juror or grand juror. Employees will receive their regular rate of pay from the Company while serving on jury duty (overtime will not be paid), and they can keep any pay they receive from the courts for serving.

An employee on any shift who spends a total of six (6) hours or less traveling and serving on jury duty is obligated to report to work.

ARTICLE 21 FUNERAL LEAVE

21.1 An employee will receive three (3) days with pay, and at the option of the employee, two (2) additional days without pay, in order to attend the funeral of the employee's mother-in-law, father-in-law, brother (step), sister (step), brother-in-law, sister-in-law, grandparents or grandchildren.

When the death is of the employee's immediate family including parent (step), spouse or children (step), such paid leave of absence may be up to a maximum of five (5) days, which must include the day of the funeral. Additionally, any other person not covered by the foregoing but living permanently in the employee's household may be considered a member of the immediate family whenever the employee must bear responsibility for funeral arrangements.

ARTICLE 22 EMERGENCY LEAVE

22.1 A regular employee will be allowed to take up to three (3) days with pay in the event of a family emergency. A family emergency shall be defined as a critical illness or injury (an unusual circumstance of a serious or life-threatening or critical nature that requires an employee's immediate attention – not routine family health care). Family members for whom this benefit is applicable are a parent (step), son (step), daughter (step) and spouse of the employee.

An employee may be required to provide a statement from a physician verifying the circumstances for the leave request.

ARTICLE 23 FAMILY AND MEDICAL LEAVE ACT

23.1 In the event the request for leave is due to the birth, adoption or the receiving for foster care of a child or for the serious illness of a spouse, parent, child, or other relative who is a dependent of the employee, or the serious illness of the employee, subject to the terms of this Article,

the employee will be entitled to an unpaid leave for up to twelve (12) weeks in a twelve (12) month period. If the employee elects to use any paid time under this provision, such time shall run concurrently with the approved FMLA leave. Any leave taken shall also be subject to the current provisions of the Family and Medical Leave Act of 1993 and any applicable laws of the State of Arizona.

ARTICLE 24

WORK RULES FOR THE SYSTEM OPERATIONS DEPARTMENT

24.1 The workweek for the System Operations Department shall begin at 6:00 a.m. on Sunday and end at 5:59 a.m. the following Sunday. The day shift starting at 6:00 a.m. shall be considered the 1st shift of the day or week.

24.2 The provisions of Article 7.2 of this agreement shall not apply in the case of the System Operator assigned as the “Relief” System Operator or when otherwise mutually agreed upon by the parties.

24.3 The provisions of Articles 7.4 (b), 7.4(c) and 7.4(d) shall not apply to the System Operations Department.

24.4(a) On designated holidays, System Operators shall receive eight (8) hours regular pay for holidays not worked. On designated holidays which are worked by System Operators, they shall receive eight (8) hours holiday pay for said holiday and double time or two (2) times their regular rate for all hours worked. All employees on revolving shifts shall observe holidays as they fall.

24.4(b) Floating Holidays taken will be paid in either eight (8) or twelve (12) hour increments from the total annual entitlement of forty (40) Floating Holiday hours. Vacation days will be paid in either eight (8) or twelve (12) hour increments or lesser amounts as approved by Management. All System Operators shall observe Holidays as described herein.

24.4(c) Paid Holiday time does not accrue towards hours worked except for the Relief System Operator. In the case of Relief System Operator,

it will only accrue whenever the Relief System Operator is scheduled off on the holiday.

24.5 All System Operations personnel will be allowed to eat while on shift.

24.6 Overtime at the rate of one and one-half (1 ½) times regular rate will be paid for hours outside of the employees regularly scheduled hours or in excess of forty (40) hours per work week.

24.7 The second (2nd) day of the scheduled two (2) days off will be considered to be the premium or double time day when called to work outside of their regular schedule. This premium will not apply to the second (2nd) day of any scheduled three (3) days off.

24.8(a) An employee called for duty at a time outside their regular work shift shall receive a minimum of two (2) hours pay at the applicable rate.

24.8(b) Extended Notice Call Out. System Operators called in to work with less than twenty-four (24) hours notice, but more than two (2) hours, will have a call-out premium of one dollar (\$1.00) per hour for those hours worked outside of their regularly scheduled shift. Call-outs with more than twenty-four (24) hours notice will not be subject to this premium provision.

24.9 A Relief Shift differential of \$1.00 per hour shall be paid to the Relief System Operator for relief hours worked outside of their regularly scheduled relief shift.

24.10 In the event that a System Operator is required to return to work with less than eight (8) consecutive hours off the System Operator shall receive the rate of one and one half (1 ½) times their normal rate of pay for all hours worked until relieved from duty, the exception shall be the application of Article 18.8.

24.11 System Operators are considered on vacation until scheduled to work again for the purpose of call-out whenever vacation or Floating Holidays are scheduled with adjoining scheduled days off.

24.12 System Operator sick time is to be paid “hour-for-hour” based upon the schedule and accrues towards the hours worked in that work week. However, sick time hours will not be paid at more than straight time rate when no hours are worked in that week.

24.13 System Operator Bridge Time. A person performing the duties of relief who has their schedule changed and as a result has their regularly scheduled workweek abridged will then be allowed System Operator Bridge Time at the end of the current work week to compensate for all lost scheduled time.

ARTICLE 25 RESTRICTED DUTY

25.1 In the event that an employee becomes ill, injured or otherwise incapacitated and the nature of such illness or injury is such that their health or physical ability is impaired to the extent that they cannot perform any or all of the essential functions of the work of their regular classification, the Company may at its option attempt to make a reasonable accommodation for the employee and assign them to Light or Restricted Duty.

25.2 Such assignment is not guaranteed as to availability or duration and may discontinued at any time at the sole discretion of the Company and based upon operational needs and when practical to do so. Light or Restricted duty considerations will be done on a case-by-case basis and shall not be construed as a requirement for all employees nor precedent setting for future assignments.

ARTICLE 26 TUITION REIMBURSEMENT

26.1 The company recognizes that the skills and knowledge of its employees are critical to its success. To that end, the company agrees to the creation of a Tuition Reimbursement Program to encourage personal development and growth through formal education so that employees can maintain and improve job-related skills or enhance their ability to complete for reasonably attainable jobs with the Company.

26.2 (a) Tuition for all Bachelor's or Associate Degrees will be reimbursed at 80% after submitting a grade of C or better, assuming that the individual does not already have a Bachelor's or Associate's Degree. This would apply regardless of the position the individual employee holds.

26.2 (b) Similarly, tuition for all advanced degrees would be reimbursed at 80%, after submitting a grade of C or better, but only if the advanced degree of study is applicable to the employee's current position or impending position.

26.2 (c) Reimbursement of tuition will also be made at 80% for individual coursework applicable to the current position or potential future assignment provided that the grade achieved is a C or better.

26.3 Employees are encouraged to take individual coursework classes where available through the company's internal company college program when possible before enrolling in outside classes of a similar nature.

26.4 Any classes taken where only a "pass" grade is achieved will be reimbursed at 75%.

26.5 Tuition costs are not intended to include registration fees, lab fees, activity fees, and/or library fees, books, parking costs or any item that is not strictly tuition based upon the hours taken in the course of study.

26.6 The tuition reimbursement spending limit will be \$10,000 per employee per lifetime.

26.7 This program is expected to enhance employee's individual performance and professional abilities, however the Company cannot guarantee that participation in this Program will entitle any employee automatic advancement, automatic awards of job bids, a different job assignment or any adjustments in pay.

26.8 Participation in the Program shall be subject to:

- The employee must have completed at least one (1) full year of active continuous employment and must be employed on a full time basis.
- The course(s) selected must be offered by an accredited institution of higher learning.
- The employee must obtain prior approval from their department head and the Human Resources Department. Once a candidate's degree program has been approved, all required courses are eligible for tuition reimbursement, including electives subject to the other provisions of this Article.

**ARTICLE 27
WAGE SCHEDULE**

The wage schedules set forth in Exhibit "A" attached hereto, and by this reference made a part hereof, shall become effective on the dates shown and shall be the wage rates and wage progression periods established by this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by affixing the signatures of their authorized representatives this 16th day of August, 2010.

UNS Electric, Inc.
Mohave County Electric Operations

International Brotherhood of
Electrical Workers Local 769

CATHERINE E. RIES
Vice President
Human Resources

JOEL D. BELL
Business Manager &
Financial Secretary

Attest:

J. ANTHONY BACA
Director, Employee & Labor Relations
Human Resources Services Group

**EXHIBIT “A”
WAGE SCHEDULE**

<u>CLASSIFICATION</u>	<u>Existing</u>	<u>1-3-11</u>	<u>1-2-12</u>	<u>1-14-13</u>
Working Foreman (108%)	\$39.36	\$40.15	\$41.05	\$42.08
Working Foreman Substation (108%)	39.36	40.15	41.05	42.08
Journeyman Lineman (100%)	36.44	37.17	38.01	38.96
Journeyman Meterman (100%)	36.44	37.17	38.01	38.96
Journeyman Substationman (100%)	36.44	37.17	38.01	38.96
Relay/SCADA Technician (100%)	36.44	37.17	38.01	38.96

All Apprentices:

1st 6 months (54%)	19.68	20.07	20.53	21.04
2nd 6 months (59%)	21.50	21.93	22.42	22.98
3rd 6 months (63%)	22.96	23.42	23.95	24.54
4th 6 months (67%)	24.42	24.91	25.47	26.11
5th 6 months (71%)	25.87	26.39	26.98	27.66
6th 6 months (75%)	27.33	27.88	28.50	29.22
7th 6 months (80%)	29.15	29.73	30.40	31.16
8th 6 months (86%)	31.34	31.97	32.69	33.50

Power Line Locator

1st 6 months (75% of Journeyman)	27.33	27.88	28.50	29.22
Next 12 months (80% of Journeyman)	29.15	29.73	30.40	31.16
Thereafter (85% of Journeyman)	30.98	31.60	32.31	33.12

Electric Utility Inspector

1st 6 months (75% of Journeyman)	27.33	27.88	28.50	29.22
Next 12 months (80% of Journeyman)	29.15	29.73	30.40	31.16
Thereafter (85% of Journeyman)	30.98	31.60	32.31	33.12

Metering Technician

1st 6 months	24.42	24.91	25.47	26.11
Next 12 months	25.87	26.39	26.98	27.66
Thereafter	27.33	27.88	28.50	29.22

Equipment Operator

1st 6 months	17.45	17.80	18.20	18.65
Next 12 months	\$19.31	\$19.70	\$20.14	\$20.64
Thereafter	22.42	22.87	23.38	23.97

<u>CLASSIFICATION</u>	<u>Existing</u>	<u>1-3-11</u>	<u>1-2-12</u>	<u>1-14-13</u>
<u>Groundman</u>				
1st 6 months	14.58	14.87	15.21	15.59
Next 12 months	15.50	15.81	16.17	16.57
Thereafter	18.89	19.27	19.70	20.19
<u>Warehouse Person</u>				
1st 6 months	19.47	19.86	20.31	20.81
Next 12 months	21.32	21.75	22.24	22.79
Thereafter	23.50	23.97	24.51	25.12
<u>Meter Reader</u>				
1st 6 months	12.94	13.20	13.50	13.83
Next 12 months	14.30	14.59	14.91	15.29
Thereafter	16.25	16.58	16.95	17.37
<u>Customer Care Representative</u>				
1st 6 months	12.21	12.45	12.73	13.05
Next 12 months	13.12	13.38	13.68	14.03
Thereafter	13.74	14.01	14.33	14.69
<u>Customer Care Specialist</u>				
1st 6 months	15.57	15.88	16.24	16.64
Next 12 months	16.35	16.68	17.05	17.48
Thereafter	17.23	17.57	17.97	18.42
<u>Lead Customer Care</u>				
	18.61	18.98	19.41	19.89
(108% of the thereafter rate of the Customer Care Specialist)				
A bi-lingual incentive of \$25.00 per pay period shall be paid to employees within the Customer Care Department who are identified by the company and whose job duties require proficiency in a language other than English.				
<u>Customer Care Metering Specialist</u>				
1st 6 months	6.73	17.06	17.45	17.88
Next 12 months	17.35	17.70	18.10	18.55
Thereafter	18.45	18.82	19.24	19.72
<u>New Services Representative</u>				
1st 6 months	13.05	13.31	13.61	13.95
Next 12 months	14.13	14.41	14.74	15.11
Thereafter	\$14.69	\$14.98	\$15.32	\$15.70

<u>CLASSIFICATION</u>	Existing	1-3-11	1-2-12	1-14-13
<u>Draftsperson</u>				
1st 6 months	18.92	19.30	19.73	20.23
Next 12 months	19.91	20.31	20.77	21.28
Thereafter	20.95	21.37	21.85	22.40
<u>Engineering Technician I</u>				
1st 6 months	19.67	20.06	20.51	21.03
Next 12 months	20.70	21.11	21.59	22.13
Thereafter	21.78	22.22	22.72	23.28
<u>Engineering Technician II</u>				
1st 6 month	23.68	24.15	24.70	25.31
Next 12 months	24.92	25.42	25.99	26.64
Thereafter	26.24	26.76	27.37	28.05
<u>Engineering Technician III</u>				
1st 6 months	27.47	28.02	28.65	29.37
Next 12 months	28.92	29.50	30.16	30.92
Thereafter	30.35	30.96	31.65	32.44
<u>Lead System Operator</u>				
	33.96	34.64	35.42	36.30
(108% of thereafter rate of System Operator)				
<u>System Operator</u>				
1st 6 months	28.38	28.95	29.60	30.34
Next 12 months	29.86	30.46	31.14	31.92
Thereafter	31.44	32.07	32.79	33.61
<u>Lead Customer Technician</u>				
	24.60	25.09	25.66	26.30
(108% of the thereafter rate for a Customer Technician) Must be responsible for at least two (2) other CT positions.				
<u>Customer Technician</u>				
1st 6 months	20.04	20.44	20.90	21.42
Next 12 months	21.18	21.60	22.09	22.64
Thereafter	22.77	23.23	23.75	24.34
<u>Working Foreman – Plant</u>				
	39.36	40.15	41.05	42.08
(108% of thereafter rate of Operations Instrumentation & Electrical Technician)				

<u>CLASSIFICATION</u>	<u>Existing</u>	<u>1-3-11</u>	<u>1-2-12</u>	<u>1-14-13</u>
<u>Operations Instrumentation & Electrical (I&E) Technician</u>				
1st 6 months	35.37	36.08	36.89	37.81
Thereafter	36.44	37.17	38.01	38.96
<u>Operator / Maintenance Technician</u>				
1st 6 months	25.03	25.53	26.11	26.76
Next 12 months	25.72	26.23	26.82	27.50
Thereafter	26.40	26.93	27.53	28.22

