

Agreement

between

National Grid

and the

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

Local Union No. 318

Brotherhood of Utility Workers Council

MAY 11, 2009 – MAY 6, 2012

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AGREEMENT made and entered into by NATIONAL GRID, hereinafter called the "Company" and THE UTILITY WORKERS UNION OF AMERICA, AFL-CIO, LOCAL NO. 318, BROTHERHOOD OF UTILITY WORKERS COUNCIL, thereof, and the employees of the Company who are now or may hereafter become members of said Local, hereinafter called the "Union".

WITNESSETH that:

WHEREAS, the Union represents a majority of the employees in the Departments of the Company set forth in the "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

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 UNION

Except as hereinafter provided, the Union 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.

ARTICLE II - UNION MEMBERSHIP REQUIREMENTS

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 Union after the thirtieth day following the beginning of their employment and shall continue as members thereafter while this agreement is in effect.

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

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 Union membership requirement shall become a member of the Union within thirty (30) days after the effective date of such transfer.

It is agreed that when an employee is promoted to a position in which he is not subject to the rules of this Agreement, his class, roster and Company seniority status shall be as follows, if he subsequently reverts to a classification in which he would be subject to the rules of this Agreement.

- A. Within forty-five (45) days from the effective date of a promotion to a non-union position all prior class and roster seniority would be reinstated minus the time spent in the non-union position.
- B. After forty-five (45) days from the effective date of a promotion to a non-union position there shall be no reinstatement of class and roster seniority, i.e. bargaining unit seniority shall be established as if a new hire.
- C. Individual involved will maintain his Company seniority.

ARTICLE III - EXEMPTIONS

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

- (1) Executives and officials,
- (2) Supervisory forces, including foremen who recommend the disciplining or dismissal of employees under their supervision, but not including working foremen.
- (3) 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 IV - APPLICATION OF SCHEDULE OF WAGES

Section 1.

Wage rates and classifications shall be as set forth on the Schedule of Wages dated May 11, 2009, signed by the respective parties hereto, copies of which are on file with the Company and the Union and which are hereby, by reference, made a part hereof.

Effective May 11, 2009, the Schedule of Wages shall be amended by increasing such rates by two and one-half percent (2.5%).

Effective May 10, 2010, the Schedule of Wages shall be amended by increasing such rates by two and one-half percent (2.5%).

Effective May 9, 2011, the Schedule of Wages shall be amended by increasing such rates by two and one-half percent (2.5%).

Section 2.

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

- (a) Probationary employees hired on or after June 25, 1984, will enter a classification at seventy-five percent (75%) of the lowest Step. When made permanent, they will go to one hundred percent (100%) of the bottom Step for twelve (12) months and are eligible for Step increases on an annual basis thereafter.

- (b) Permanent employees awarded a job under Article XI, Section 3, will enter a classification as follows:
- (1) An employee awarded a job due to having prior accumulated seniority in the classification, will enter at the same step at which they had left.
 - (2) An employee awarded a job due to having the greatest classification seniority, lower classes in the roster will enter at the step which provides for an increase.
 - (3) An employee awarded a job due to having the greatest Company seniority in the group covered by the Agreement, will enter at the second from the bottom step.

Permanent employees will be eligible for step increases on an annual basis.

- (c) 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 Pay Plan.
- (d) When employees are temporarily assigned to higher classes of work for periods of four (4) hours or more, they shall receive the higher wages for the full day. If assigned for periods of less than four (4) hours, they shall receive the higher wages for four (4) hours.

Section 3.

If an employee is assigned to a higher classification for a period of nine (9) months in any one (1) twelve (12)-month period, except when such assignment is required because of the absence of other employees in that classification, such higher classification shall be considered vacant and posted for bid.

Section 4.

During the life of this agreement in the event a new bargaining unit job is established or a substantial change is made in the duties of an existing bargaining unit job, the rate for the new or changed job shall be established by the Company with due regard for the content of the new or changed job and the rates paid for comparable work to other employees of the Company. Following mutual discussion between the Company and the Union, if the Union disagrees with the rate as determined by the Company, the question of what the new rate should be in accordance with the foregoing shall be subject to the grievance and arbitration procedure of Article XII, Section 2.

ARTICLE V - OVERTIME COMPENSATION

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.

Employees who work on their regularly scheduled days of relief shall be paid overtime at the rate of one and one-half (1½) times their regular basis.

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.

ARTICLE VI - HOLIDAYS

Section 1.

Employees subject to the provisions of this agreement shall receive normal straight time compensation for eight hours on: New Year's Day, Martin Luther King Day, Presidents Day, Patriot's Day, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, Day After Thanksgiving Day and Christmas Day. (Subject to Supplementary Holiday Provisions recorded on Page B-1).

In addition to the holidays recognized above, the employee shall be granted a personal birthday holiday or floating holiday, which must be taken by year end. Employees selection of the day to be observed as a holiday must be made two weeks in advance and is subject to postponement by the Company on 48 hours' notice due to unusual workload considerations. The Company will make every effort to grant the date requested consistent with workload considerations. Conflicts in employee selection will be settled upon the basis of Company seniority within the classification.

Section 2.

If employees work on such holidays in their normal schedule, they shall receive, in addition to Section 1, one and one-half times their straight time rate for all hours worked in that schedule.

Section 3.

An employee required to work on a holiday will be paid at one and one-half (1½) times his regular hourly rate for the first eight (8) hours and two and one-half (2½) times his regular hourly rate for all hours worked on such holiday beyond eight (8) in addition to Section 1.

ARTICLE VII - HOURS AND DAYS OF WORK

Section 1.

Eight (8) consecutive hours shall constitute the regular daily schedule and five (5) days of eight (8) consecutive hours shall constitute the regular weekly schedule of all employees coming within the scope of this agreement, insofar as such schedules do not interfere with presently established practices.

ARTICLE VIII - 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.

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 employee.

Section 4.

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

ARTICLE IX - MEAL PERIOD AND ALLOWANCE

Section 1.

A meal period of not less than thirty (30) minutes nor more than one (1) 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 (3rd) hour after reporting for duty and the beginning of the sixth (6th) hour after reporting for duty.

Section 3.

Where the nature of the service requires continuous operation, eight (8) consecutive hours may be worked during which twenty (20) minutes shall be allowed for lunch at reasonable and convenient times without interruption to service and without deduction in pay.

Section 4.

Employees required to work beyond their regular day (minimum of two (2) hours), shall be allowed twenty (20) minutes for a meal period and meal allowance without deduction in pay.

- Effective May 11, 2009 – Meal allowance limited to \$11.50.

Section 5.

Employees engaged in emergency overtime work shall not be required to work in excess of five (5) hours unless granted a meal period of twenty (20) minutes and a meal allowance, without deduction in pay.

Section 6.

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

ARTICLE X - VACATIONS

Employees continuously employed prior to June 1 for less than one (1) year, but more than six (6) full months, will be entitled to a vacation with straight time pay for two (2) normal working days for each full month of employment in excess of six (6) months prior to June 1.

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

Employees, on the anniversary date of completion of five (5) full years of continuous service, will be entitled to three (3) weeks' vacation with pay in that year.

Employees on the anniversary date of completion of ten (10) full years of continuous service, will be entitled to four (4) weeks' vacation with pay in that year.

Employees, on the anniversary date of completion of twenty (20) full years of continuous service, will be entitled to five (5) weeks' vacation with pay in that year.

(Supplementary Vacation Provisions are recorded on Page B-2).

ARTICLE XI - SENIORITY

All references apply only to departments and classifications designated by the Schedule of Wages.

Section 1. Employee Status

(a) A permanent employee is one who is hired on a permanent basis. A new employee shall be on trial for a period of nine (9) months from the date of hire, shall be designated as a probationary employee for this period, and may be discharged, if, in the opinion of the Company, he is not qualified. A probationary period will include time during which the employee is under the direction of the Company, and will not include furlough time, major sick time, or leave of absence.

(b) A temporary employee is one hired for a specific job, and it is not intended that he shall become a permanent employee, nor is it intended that his employment shall exceed nine (9) months of continuous service. The Company shall have the right in its discretion to employ temporary employees for emergencies, vacation relief, or other unusual situations. A temporary employee shall not acquire any seniority rights, unless he becomes permanent by exceeding six (6) months' continuous service.

(c) Training students may be assigned in any of the classifications, the total number not to exceed three percent of the number of employees in the Company. Assignment of these students to classifications permanently shall be subject to seniority rights of permanent employees. Assignment of these students shall not be used to circumvent other provisions of this agreement. (For example, payment of overtime.)

Section 2. Definition of Seniority

- (a) Company seniority is established by the date of entry of an employee, accumulating only from the last date of hire.
- (b) Classification seniority is the total length of service of an employee in a classification within a roster. A roster is a group of classifications established by the Company and the Union. An employee who skips a classification in his progress through a roster will be considered to have seniority of one (1) day in the classification. A classification is one designated in the Schedule of Wages.
- (c) Credit may be given for unusual situations by agreement between the Union and the Company.
- (d) The Company shall prepare and make available to the Union seniority charts which will indicate for each employee covered by this agreement:
 - 1. The employee's date of entry.
 - 2. The employee's date of entry into his present classification.
- (e) Any grievance or question concerning these seniority ratings shall be brought to the attention of the Company within sixty (60) days of issue and not thereafter.

Section 3. Filling of Vacancies

- (a) Whenever there is a vacancy in a classification, a notice shall be posted at places accessible to employees affected, and shall remain posted for a period of seven (7) days. This notice will give the title of the position, the rate of pay, the hours of work, the days of relief, an outline of the duties, the qualifications required and the name of the person to whom application is to be made. Applicants for the position shall apply in writing to the person designated in the notice within the seven (7)-day period of the posting.
- (b) Applicants who are qualified by fitness and ability will be selected for the position in the following order of seniority:
 - 1. The applicant having prior accumulated seniority in the classification.
 - 2. The applicant with the greatest classification seniority, lower classes in the roster in order.
 - 3. The applicant with the greatest company seniority in the group covered by the agreement.
- (c) The Company shall determine the fitness and ability of all applicants for new or different positions. In the determination of the fitness and ability of an employee, the desire and ability of an employee to advance to higher classifications in the roster will be contributing factors. This provision is subject to Article XII, Section 2 of the contract.
- (d) If there are no applicants or no applicants who are qualified by fitness and ability, the Company shall have the right to hire a new employee to fill the vacancy.

- (e) The Company shall award the accepted qualified applicant the position within one (1) week after the expiration of the posting period.
- (f) An employee transferred to a classification shall have at least nine (9) months to qualify. If he fails to qualify, he may return to the classification from which he came with no loss of seniority in that classification, but he will not accumulate any seniority in that classification in which he failed to qualify. He shall not have the right to bid for this same position for a period of ninety (90) days thereafter.
- (g) If, in the opinion of the Company, an employee transferred to a classification is competent and qualified, he shall not have the right to bid for any previous classification until there is a vacancy.

Section 4. Reduction in Forces

- (a) Displacement of employees due to a reduction in forces, in other than the lowest classifications, shall take place in order of classification seniority, an employee with the least classification seniority being downgraded first.
- (b) An employee displaced from a classification shall enter the next lower classification in the same roster or line of progression, seniority unimpaired, and shall displace juniors in that classification.
- (c) An employee shall be displaced from the lowest classification in a roster in order of company seniority. He shall maintain unimpaired his seniority in any former classification with the right to displace juniors in that classification of any roster even if it means the displacement or furlough of another employee, if his company seniority is greater than that of the employee to be displaced or furloughed. His classification seniority shall be the date he enters.
- (d) In all cases of displacement, fitness and ability will be a determining factor in assignments under the above.
- (e) Furlough of employees shall take place in order of company seniority so that employees with the least seniority will be furloughed first. Furloughed employees' rights to recall will be based on fitness and ability in order of company seniority. If recalled, they must accept in writing and report for work within seven (7) days. Failure of employees to accept recall will result in forfeiture of all seniority rights and rights to recall.
- (f) In connection with the Wage Reduction Policy established in 1960, effective May 11, 2009, employees who were hired prior to May 10, 2004 will not be furloughed because of lack of work in his classification due to automation, plant closings, subcontracting, etc.

Effective May 10, 2010, employees who were hired prior to May 10, 2005 will not be furloughed because of lack of work in his classification due to automation, plant closings, subcontracting, etc.

Effective May 9, 2011, employees who were hired prior to May 10, 2006 will not be furloughed because of lack of work in his classification due to automation, plant closings, subcontracting, etc.

- (g) All full-time permanent and probationary employees as defined in Article X, Section 1a hired prior to May 31, 2009, will not be laid off for lack of work for the contract term ending May 6, 2012.

Section 5. Union Leave of Absence

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

ARTICLE XII - JOINT COMMITTEE AND GRIEVANCE PROCEDURE

Section 1. Joint Committee

The Union shall designate a Standing Committee of four (4) employees which shall meet with representatives of the Company bi-monthly or at the request of either party for the purpose of discussing matters coming within the scope of this agreement. Such meetings shall be held at the convenience of both parties, if possible, but in any event, within seven (7) days from the date upon which such request is received. The Union President, or his designee, and the Employee & Labor Relations Department Head, or his designee, shall review on the Friday prior to each Joint Committee meeting issues which are to be discussed at the Joint Committee Meeting. This shall not preclude the discussion of other issues. It is agreed that representatives of the Utility Workers Union of America, AFL-CIO, Brotherhood of Utility Workers Council may attend these Joint Committee meetings.

Section 2. Dispute Procedure

Any grievance which may arise based on a dispute as to the meaning and application of this agreement shall be finally settled in the following manner:

Drug, alcohol, and employee termination grievances will begin at Step 3 of the procedure.

Step 1. The grievance shall be discussed by the aggrieved employee, his shop steward or his acting shop steward and his first-line supervisor not covered by this agreement. If not settled in this step, the grievance shall be referred to Step 2.

Step 2. The grievance shall be discussed by the shop steward and a member of the Standing Committee, on the one hand, and the above-described supervisor and the supervisor of the department, or their designees on the other. If not settled in this step, the grievance shall be referred to Step 3.

Step 3. The grievance shall be reduced to writing, by the Union, and forwarded to the Employee & Labor Relations Department. The matter will be discussed at the next meeting of the Joint Committee. In the event no such meeting is to be held within one (1) week of the receipt of such request, the Employee & Labor Relations Department will arrange for the convening of such meeting. If not settled in this step, the grievance shall be referred directly to Step 4.

Step 4.

The grievance may be referred to arbitration upon written request by either the Company or the Union, delivered by the requesting party to the other within a reasonable time following the Joint Committee meeting in Step 3.

The arbitration shall be conducted by a three (3)-member Board of Arbitration consisting of one (1) representative of the Company and one (1) representative of the Union and a third person, who shall serve as Chairman, selected by such representatives. The Joint Committee shall, prior to the scheduling of any arbitration, agree upon a stipulation of the issue or issues to be arbitrated. If the Joint Committee is unable to agree upon a stipulation in the permitted time, the grievance (as reduced to writing at Step 3) shall be the stipulation. For the purpose of this section, permitted time means the time between the delivery of the written request (Step 4) to submit the dispute to arbitration and the second regular Joint Committee meeting next following. The Board's decision shall be restricted to deciding such issue or issues upon the basis of the applicable provisions of this agreement. All decisions of the Board, if approved by at least two (2) of its members, shall be final and binding on all concerned.

If the Company and Union representatives on the Board do not agree on the selection of the Chairman within ten (10) days after both have been appointed, the third representative shall be appointed in accordance with the Voluntary Arbitration Rules of the American Arbitration Association. The Company and the Union shall each bear the expense of its representatives on the Board and shall share equally the compensation and expenses of the Chairman and other expenses, if any, relating to the arbitration (apart from the expense of either in presenting its case).

Unless otherwise agreed, each grievance shall be separately processed in any arbitration proceedings under this section. There shall be no right to arbitration to obtain, and no Board of Arbitration shall have the authority to make, any award granting any change in, modification or alteration of, addition to or subtraction from, any of the terms of this agreement.

The Company may discharge a probationary or temporary employee at any time and such discharge shall not be subject to the provisions of Article XII, Section 2.

ARTICLE XIII - PAYROLL DEDUCTION

Section 1.

The Company agrees to deduct from wages and to remit to the Union the membership dues and initiation fees of each employee on whose account such deductions are to be made, pursuant to a written assignment on a form approved by the Company. Membership dues shall be in an amount currently certified by the Union to the Company as the uniform amount required therefor. Such form shall contain such provisions concerning irrevocability, duration, revocation and automatic renewal as the Union may request but only to the extent that such provisions comply with the applicable requirements of Section 302(c) of the Labor Management Relations Act, 1947, as now or hereafter amended, as said requirements may from time to time be interpreted by appropriate governmental authorities.

Section 2.

The Union shall indemnify the Company and hold it harmless against any judgements or other liabilities resulting from the payment to the Union of any sums deducted pursuant to Section 1 of this Article XIII in reliance on any dues certification tendered to the Company by the Union. In the event any action is commenced or claim is made against the Company to recover from the Company any sum deducted from wages of employees pursuant to said Section 1, the Union shall have the right to intervene and define such action or claim, and upon the written request of the Company the Union shall undertake such defense with counsel of its own choosing. The Company agrees to give the Union prompt notice in writing of any such action or claim.

Section 3.

The Union shall indemnify the Company and hold it harmless against any judgements or other liabilities resulting from the payment to the Union of any sums.

ARTICLE XIV - NON-DISCRIMINATION

Neither the Company nor the Union will discriminate against any individual on the basis of age, race, color, religion, sex, national origin, disability, marital status, sexual orientation, veteran status, citizenship status or any other reason prohibited by law.

Whenever used in this Agreement, a masculine pronoun shall be deemed to include the masculine and feminine genders.

ARTICLE XV - COOPERATION
NO STRIKE PROVISION

Section 1. Cooperation

The Union agrees that its members will individually and collectively perform loyal and efficient work and service and will use their influence and best efforts to protect the property of the Company and the Company's interest and will assist in promoting the sale of the Company's products, and that they will cooperate with the Company and the employees of all departments in promoting and advancing the welfare of the Company and its service at all times.

The Company agrees that it will cooperate with the Union in its efforts to promote harmony and efficiency among all of the Company's employees.

Section 2. No Strike Provision

The Union agrees that while this agreement is in effect none of its members will cause directly or indirectly or participate in any strike, work stoppage, slowdown or interference with the performance of the Company's business. It is the mutual desire of the parties hereto to provide for uninterrupted and continuous service. Nothing is intended, however, to prevent the resignation or discharge of individuals, the discharge being subject to review under the condition and in the manner provided in this agreement.

The Union shall instruct, orally, any of its members who are causing or participating in such violation to cease such action immediately.

The Union shall give immediate notice, orally, to the Company that they have made every effort to instruct its members to comply with the provision of this section.

ARTICLE XVI - SPECIFIC WORKING CONDITIONS

All items not specifically covered in the basic contract are outlined under Section B (Index in Table of Contents at beginning of book).

ARTICLE XVII - TERM OF AGREEMENT

This agreement shall be effective as of the 11th day of May, 2009 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 the 6th day of May, 2012.

In case of consolidation or merger of the Company with an affiliated or non-affiliated company or sales of all or a substantial part of their properties between affiliated and non-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 the agreement.

SECTION B. SPECIFIC WORKING CONDITIONS

SUPPLEMENTARY HOLIDAY PROVISIONS

1. 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.
2. 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.
3. If an employee is absent but receiving vacation pay or authorized funeral leave, and the holiday occurs on his normal work day, the employee shall receive either an additional day off at a time to be designated by the Company, or normal straight time compensation for one day.
4. If an employee is on a "no work no pay status", he shall receive holiday compensation only if he works the scheduled work day prior to and subsequent to the holiday, unless the Company and the Union are satisfied by convincing evidence that such absence was justifiable.
5. 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 Beverly Garage, will be paid the shift premium along with his holiday pay which would have been earned if worked.
6. An employee who is retiring prior to his Birthday Holiday will have that day added to the vacation allowance to which he is entitled to going into retirement.
7. If a recognized holiday falls on a Saturday, employees will have the option of pay or an additional day off subject to existing vacation restrictions.

SUPPLEMENTARY VACATION PROVISIONS

1. Vacations will be granted according to schedules approved by the Company and, insofar as possible, Company seniority will govern. One (1) of the three (3) weeks, two (2) of the four (4) weeks and three (3) of the five (5) 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.
2. 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.
3. 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.
4. An employee may select his entire vacation consecutively providing the selection beyond the normal two (2) weeks does not cause a hardship to other employees or cost the Company abnormal overtime payments.
5. It is agreed that where it has been the practice to allow employees to take their vacation less than a week at a time, such practice will be continued, provided requests are received forty-eight (48) hours in advance unless otherwise waived by the Company.
6. In the event employees are unable to take their earned vacation prior to December 31 of any year because of sickness or injury, such vacation will be scheduled at a time set by the Company in the following year. At the request of the Union and subject to the possibility of operating conditions which make the granting of such request inadvisable, an employee may reserve all or part of a vacation, but not less than one (1) week, in one year to be taken in the following year.
7. 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.
8. 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 (1½) 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 (2½) times the straight time rate.

9. **PAYMENT OF VACATION PAY TO EMPLOYEES WHO ARE LAID OFF, DISCHARGED OR WHO RESIGN**

Employees who resign prior to completion of twelve months of continuous service will not be granted vacation pay.

- A. Employees with one (1) or more years of continuous service but less than five (5) full years prior to June 1, who resign before June 1, will be granted vacation pay at the rate of one (1) day's pay for each full month employed since the preceding June 1st. In no case will such vacation or pay in lieu thereof exceed two (2) normal working weeks.
- B. Employees with five (5) years of continuous service, but less than fifteen (15) years, who resign prior to June 1 will be granted vacation pay at the rate of one and one-half (1½) days' pay for each full month employed since the preceding June 1st. In no case will such vacation or pay in lieu thereof exceed three (3) normal working weeks.
- C. Employees with fifteen (15) years of continuous service, but less than twenty (20) years who resign prior to June 1 will be granted vacation pay at the rate of two (2) days pay for each month employed since the preceding June 1st. In no case will such vacation or pay in lieu thereof exceed four (4) normal working weeks.
- D. Employees with twenty years of continuous service or more, who resign prior to June 1 will be granted vacation pay at the rate of two and one-half (2½) days' pay for each full month employed since the preceding June 1st. In no case will such vacation or pay in lieu thereof exceed five (5) normal working weeks.
- E. Employees with one (1) or more years of continuous service but less than five (5) years of continuous service, who resign on or after June 1 and who have not already had their vacation for the current year, will be granted pay for their scheduled vacation and, in addition, one (1) day's pay for each full month worked after June 1st.
- F. Employees with five (5) years of continuous service but less than fifteen (15) years, who resign on or after June 1 and who have not already had their vacation for the current year, will be granted pay for their scheduled vacation and, in addition, one and one-half (1½) days' pay for each full month worked after June 1st.
- G. Employees with fifteen (15) years of continuous service, but less than twenty (20) years who resign on or after June 1, and who have not already had their vacation for the current year, will be granted pay for their scheduled vacation and, in addition, two (2) days' pay for each full month worked after such June 1st.
- H. Employees with twenty (20) years of continuous service or more who resign on or June 1, and who have not already had their vacation for the current year will be granted pay for their scheduled vacation, and, in addition, two and one-half (2½) days' pay for each full month worked after such June 1st.

Employees Who Leave Without Notice

Employees who leave the service of the Company without two weeks' notice will not be granted a vacation or vacation pay. The management may, however, accept a shorter notice if conditions permit.

Employees Who Are Discharged For Cause

These employees will not be granted a vacation or vacation pay.

Employees Who Are Laid Off or Furloughed -

- A. Employees who are laid off or furloughed prior to completion of six (6) months of continuous service will not be granted vacation pay.
- B. Employees with more than six (6) months but less than one (1) year of continuous service who are laid off or furloughed will be granted vacation pay at the rate of two (2) normal days' pay for each full month of continuous service in excess of six (6) months.
- C. Employees with one (1) or more years of continuous service but less than five (5) full years prior to June 1, who are laid off or furloughed before June 1, will be granted vacation pay at the rate of one day's pay for each full month employed since the preceding June 1st. In no case will such vacation or pay in lieu thereof exceed two (2) normal working weeks.
- D. Employees with one (1) or more years of continuous service but less than five (5) years of continuous service, who are laid off or furloughed after June 1, and who have not already had their vacation for the current year, will be granted pay for their scheduled vacation, and, in addition, one (1) day's pay for each full month worked after such June 1st.

Employees Who Are Retired on Pension

- A. Employees who are retired on pension at age 65 who have not had the vacation to which they are entitled prior to date of retirement will be paid vacation pay in lieu of vacation, provided, however, that such employee with thirty (30) years or more of continuous service who retires subsequent to January 1 but prior to June 1 will be paid the full vacation pay which they normally would receive in that year.
- B. Employees with less than five (5) years of continuous service who are retired on pension before June 1 will be granted a vacation of one (1) day for each full month employed since the preceding June 1st. In no case will such vacation exceed two (2) normal working weeks.
- C. Employees with five (5) years of continuous service but less than fifteen (15) years, who are retired on pension before June 1, will be granted a vacation of one and one-half (1½) days for each full month employed since the preceding June 1st. In no case will such vacation exceed three (3) normal working weeks.
- D. Employees with fifteen (15) years of continuous service but less than twenty (20) years who are retired on pension before June 1 will be granted vacation of two (2) days for each full month employed since the preceding June 1st. In no case will such vacation exceed four (4) normal working weeks.
- E. Employees with twenty (20) years of continuous service who are retired on pension before June 1 will be granted a vacation of two and one-half (2½) days for each full month employed since the preceding June 1st. In no case will such vacation exceed five normal working weeks.
- F. Employees with less than five (5) years of continuous service, who are retired on pension on or after June 1, and who have not already had their vacation for the current year, will be granted their scheduled vacation and, in addition, one (1) day for each full month worked after such June 1st.
- G. Employees with five (5) years of continuous service but less than fifteen (15) years who are retired on pension on or after June 1 and who have not already had their vacation for the current year, will be granted their scheduled vacation and, in addition, one and one-half (1½) days for each full month after June 1st.
- H. Employees with fifteen (15) years of continuous service, but less than twenty (20) years who are retired on pension on or after June 1 and who have not already had their vacation for the current year, will be granted their scheduled vacation and, in addition, two (2) days for each full month worked after June 1st.
- I. Employees with twenty (20) years of continuous service who are retired on pension on or after June 1 and who have not already had their vacation for the current year, will be granted their scheduled vacation and, in addition, two and one-half (2½) days for each full month worked after June 1st.
- J. In all instances, employees who retire may receive pay in lieu of vacation within the limits described herein.

PENSION PLAN

Employees represented by Local Union No. 318 of the Utility Workers Union of America, AFL-CIO, Brotherhood of Utility Workers Council, are members of the Boston Gas Company Union Employees' Pension Plan, to be amended June 14, 1993. Credited service will be calculated as set forth in Boston Gas Company Union Employees' Pension Plan, including employment with the New England Electric System. Upon retirement, benefits received from the Boston Gas Company Union Employees' Pension Plan will be offset by the benefits received from the New England Electric System Annuity Benefit Plan and the Boston Gas Divisional Plan.

Boston Gas Company Union Employees' Pension Plan will provide a monthly benefit to eligible employees of sixty-four dollars (\$64.00) per month per year of service.

If an employee is married at retirement then the Plan may provide a reduced monthly benefit during the employee's lifetime with one-half (1/2) of such reduced benefit continuing after the employee's death to the employee's spouse for his or her lifetime. The amount of this benefit is based upon the employee's age and the spouse's age at the employee's retirement date. If the spouse dies within five (5) years, the remainder of the benefit shall be paid to the retiree in the form of a single life annuity. Monthly benefits will be determined as if the standard form of benefit were applicable.

Married employees may choose several other forms of benefit but only if their spouse consents to their choice. The choices include:

- A. A reduced monthly benefit during the employee's lifetime with two-thirds (2/3) of such reduced benefit continuing after the employee's death to the employee's spouse for his/her lifetime, and
- B. A reduced monthly benefit during the employee's lifetime with the entire reduced monthly benefit continuing after the employee's death to the employee's spouse for his/her lifetime, and
- C. An unreduced monthly benefit payable for your lifetime only; if member dies before sixty (60) monthly payments have been made, payment shall continue to the surviving spouse until the remainder of the sixty (60) monthly payments have been made.

5 – Year Certain

In the event the employee dies within five (5) years of their retirement anniversary date and they have elected a reduced pension option of one-half (1/2) or two-thirds ($66 \frac{2}{3}^{\text{rds}}$) the spouse will continue to collect the unreduced amount (single life annuity) for the remainder of the five (5) years. Upon completion of the five (5) years the spouse will begin to collect the reduced amount.

Pop-Up Provision

If the spouse dies the remainder of the benefit shall be paid to the retiree in the form of a single life annuity. Monthly payments will be determined as if the standard form of benefit were applicable.

Single employees may also elect a surviving beneficiary option which would provide a reduced benefit to a designated beneficiary upon their death. This option is subject to specific Plan provisions and IRS regulations.

Nothing herein will be construed to alter, amend or in any way change the provisions of the Boston Gas Company Union Employees' Pension Plan. Complete benefit details are contained in the plan document.

401(K) RETIREMENT SAVINGS PLAN

Permanent employees having one (1) or more years of service are eligible to participate in the National Grid 401(k) Plan.

Participants may defer from one percent (1%) up to fifty percent (50%) of their pre-tax pay via payroll deduction, subject to the plan's limitations on contributions.

The Company will provide a match of twenty-five cents (\$0.25) on each dollar (\$1.00) the employee contributes to the Plan up to a maximum contribution of six percent (6%).

The Company will offer a ten percent (10%) discount on the purchase of National Grid stock within the Plan and on dividends reinvested in National Grid stock between August 1, 2009 and May 6, 2012.

The Plan will remain in effect as long as, and to the extent that, it is permitted by the Internal Revenue Service.

EMPLOYEE STOCK PURCHASE PLAN

The Company will offer the National Grid plc Employee Stock Purchase Plan to all Permanent and Probationary Employees age eighteen (18) and over who are employed for more than twenty (20) hours per week and have three (3) months of continuous service. Additionally, Temporary Employees who meet the above listed criteria are also eligible to join.

The Plan offers eligible employees the opportunity to purchase American Depository Shares (ADSs) on a monthly basis at a discounted rate. Each ADS represents five (5) ordinary shares in National Grid plc and are listed on the New York Stock Exchange.

Participants can contribute up to twenty percent (20%) of their base pay via payroll deductions.

Participants receive a ten percent (10%) discount on stock purchased through payroll deductions and a ten percent (10%) discount on reinvested dividends.

LIFE AND MEDICAL INSURANCE

1. **LIFE INSURANCE** - The Company agrees to continue the Boston Gas Company Union Employees' Life Insurance Plan during the life of this Agreement. The basic benefit for active employees is equal to the greater of two (2) times your previous year's gross earnings or two (2) times your annual salary after the application of any general wage increase.

An Accidental Death and Dismemberment benefit is also provided. The basic benefit for active employees is equal to one (1) times salary (seventy-five thousand dollars (\$75,000) maximum) for non-occupational and four (4) times salary (three hundred thousand dollars (\$300,000) maximum) for occupational.

The Retiree Life Insurance benefit for retirees who are between the ages of sixty (60) and sixty-five (65) will be equal to one (1) times salary. At age sixty-five (65) the benefit will be twenty-five thousand dollars (\$25,000).

Employees will have the option to purchase dependent and supplemental life insurance coverage at group rates.

2. **HEALTH CARE** - The COMPANY agrees to provide the following health care programs to active employees with six (6) or more months of service and their eligible family members, to families of deceased employees, to retirees and their eligible family members, and to families of deceased retirees. Coverage will be discontinued once a surviving spouse is covered by another employer paid group plan or five (5) years after a surviving spouse remarries. Effective July 1, 2002, an employee with the same sex domestic partner, meeting criteria established by the Company, will be eligible for medical and dental benefits and family and medical leave for this partner. It is the intent of the Company and the Union that these benefits would be the same as, but not greater than, would be provided to a married employee or the spouse of an employee.

Blue Cross Blue Shield PPO Health Plan:

In Network - 100% of Covered Services.

Out of Network - 80% of Covered Services.

Deductibles:	\$500/\$1,000
Max Out of Pocket:	\$2,000/\$4,000

Employees enrolled in the Blue Cross Blue Shield PPO Health Plan will contribute ten percent (10%) of the premium and a fifteen-dollar (\$15.00) co-payment for all office visits.

Probationary employees are eligible for Health Care through the Company. The employee will contribute 100% of the premium.

CareMark Prescription Drug Program:

CareMark Prescription Drug Program is the primary provider of prescription drugs for active permanent employees. Mandatory mail order for maintenance drugs.

Retail (Up to a 30 day supply)- 100% after Co-Payments of:

- Generic - \$10 co-payment.
- Formulary - \$15 co-payment.
- Non-Formulary - \$30 co-payment.

Mail Order (90 day supply) -100% after Co-Payments of:

- Generic - \$20 co-payment.
- Formulary - \$30 co-payment.
- Non-Formulary - \$60 co-payment.

HMO Options:

Employees may also choose Harvard Pilgrim Health Care or Fallon Community Health. Employees' contributions for these plans will be based on the full difference between ninety percent (90%) of the Blue Cross Blue Shield PPO premium and the premiums for these plans. Minimum contribution levels equal to the BCBS contribution will apply.

Medical Waiver:

Effective January 1, 2010, employees who waive medical coverage under this section will be reimbursed \$750.

Retiree Medical:

Pre-65 Retiree Coverage

- Same programs as active employees.
- Contributions frozen at retirement.

For employees hired after June 14, 1993:

- Individual: Same program as actives, including contributions, deductibles and maximum out of pocket.
- Family: Same program as actives. Contributions will be 50% of the cost of the coverage.

Post-65 Retiree Coverage

- For employees who retire prior to September 1, 1996, the Company will pay for retirees and their families the cost of Medicare "B" and the Supplemental Blue Cross-Blue Shield Plan - Medex III or certain HMO options that are specifically designed to integrate with Medicare and upon the death of the retiree, will continue the payment for the surviving spouse.
- Employees who were hired prior to June 14, 1993 and retire on or after September 1, 1996, will have their benefits based on the following schedule:

Medicare Part B and Medex III or HMO Options

Maximum Company Contribution:

Retiree	\$3,375
Spouse	\$3,375
Surviving Spouse	\$3,375

- Employees with twenty (20) years' service and employees who were age fifty-seven (57) and over as of June 14, 1993 are eligible for the maximum amount. Employees with less than twenty (20) years' service will receive a prorated amount based on years and months of service.
- For employees hired after June 14, 1993, subject to existing caps in effect at the time of retirement, costs will be shared as follows:

Medex III or HMO Options:	Company - 75%	Employee - 25%
Medicare Part B:	Company - 50%	Employee - 50%

3. **DENTAL CARE** - For employees having one (1) or more years of service, the Company agrees to provide a Delta Dental Plan. Dependent children coverage through the end of the month in which the child turns age nineteen (19), with full time students covered through the end of the month in which the child turns age twenty-five (25). Orthodontia covered for dependents to age nineteen (19) based on Table of Allowance with a two thousand-dollar (\$2,000) Lifetime Maximum.

The Dental Plan will have an annual maximum of two thousand dollars (\$2,000) per eligible person.

Employees enrolled in the Dental Plan will contribute ten percent (10%) of the premium.

The Company reserves the right to provide equal benefits under another plan if it so desires.

4. **HEALTH CLUB REIMBURSEMENT** - All permanent employees will be eligible for an annual taxable Health Club reimbursement of two hundred dollars (\$200.00) through Employee Services. A maximum of one (1) reimbursement every twelve (12) months.

SICKNESS AND ACCIDENT BENEFITS

1. 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 / third-party administrator or in part by State and Federal Authorities.
- B. Workers' Compensation checks are made payable directly to the employee by the insurance carrier / third-party administrator.

2. Non-Occupational and Occupational Benefits

- A. In the case of an employee who has performed substantial amounts of work under more than one (1) approved wage or salary rate prior to his disability, consideration will be given to the amount of work performed in each such class in establishing the wage or salary rate to be paid during the disability.
- B. Temporary non-occupational disability - subject to the limit outlined in paragraph 2C below and with the approval of the Director or Manager, an employee will be paid as follows:

<u>Years of Service</u>	<u>Weeks at 100%</u>	<u>Weeks at 75%</u>	<u>Weeks at 50%</u>
< 2 Years	1	0	25
2	2	0	24
3	2	1	23
4	3	1	22
5	4	1	21
6	5	1	20
7	5	2	19
8	6	2	18
9	7	2	17
10	8	2	16
11	8	3	15
12	9	3	14
13	10	3	13
14	11	3	14
15	11	4	15
16	12	4	16
17	13	4	17
18	14	4	18
19	14	5	19
20	15	5	20
21	21	0	21
22	22	0	22
23	23	0	23
24	24	0	24
25	25	0	25

Over 26 years of service – One (1) week at full pay for each year of service, maximum thirty-five (35) weeks, and balance of fifty-two (52) weeks at half pay. Maximum of thirty-five (35) weeks at full pay and seventeen (17) weeks at half pay.

Temporary occupational disability - subject to the limit outlined in paragraph 2C below and with the approval of the Director or Manager, full normal wages or salary less the amount of workers' compensation benefits, if any, to which the employee is entitled, will be paid for not longer than fifty-two (52) weeks per industrial accident claim.

- C. **Limit on amount of benefits** - the number of weeks of non-occupational benefits will be calculated each January 1, based on the full years of service to be achieved in that calendar year. In any one (1) calendar year, or in any case in which an absence continues into a second calendar year, benefits shall be only for the number of weeks provided for in 2B above.

Occupational and non-occupational benefits shall not be combined for the purpose of determining the number of weeks during which salary or wages may be paid, (i.e. an employee with (10) ten years of service is entitled to a maximum of eight (8) weeks at full (100%) pay, two (2) weeks at three-quarter (75%) pay and sixteen (16) weeks at half (50%) pay as well as fifty-two (52) weeks per industrial accident claim).

Payment of holidays will be made to those employees on sick leave whose sick pay has run out as long as they remain on the active payroll.

Should medical evidence indicate that the employee's disability is of a permanent nature and the employee is not expected to return to active service, subject to the limits set forth above, appropriate wage or salary payments for temporary disability will be made pending a decision on possible retirement of the employee. Such wage or salary payments made to an employee will be terminated automatically on his retirement date.

- D. **Overpayment of Disability Benefits** -

1. 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 2C, 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.
2. 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 wages 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.

- E. Lump sum insurance settlements - 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.

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.

- F. No wage or salary payments by the Company will be made beyond the first week for periods of disability during which the employee is not under treatment by a recognized physician or practitioner. Wage or salary payments will not be made for disability caused by excessive use of alcohol or narcotics. No wage or salary payments will be made by the Company to any employee for disability resulting from the neglect or refusal of such employee to observe the Company's established safety rules or regulations if such employee has previously been warned.
- 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. Nothing herein contained will be construed to prevent the Company from placing employees on a pay-as-you-work basis if such employee's absenteeism record justifies such action.
- I. Sick pay allowance is payable directly by the Company to the employee unless otherwise directed.

3. RETROGRESSION PAY PLAN FOR HANDICAPPED EMPLOYEES

In the event an employee becomes unable to perform his normal duties because of disability, the Company will make a reasonable effort to provide him with work which he is capable of performing.

General Provisions

- A. A Permanent employee provided with work under the above Plan shall retain his rate of pay at the time of the transfer.
- B. Employees covered under the above Plan will be required to accept promotions which they are qualified to fill, or will lose their wage protection, unless otherwise mutually agreed upon by the Company and Union.
- C. An employee under the Plan shall hold the title of his new job classification with the word "Special" appended thereto.
- D. In the event of disagreement as to an employee's disability or his ability to physically perform the duties of his classification, his case shall be referred to a recognized specialist, as designated by the Company, in the field of medicine involved. The opinion of this specialist shall be final and binding on all parties, unless the Union disagrees. If the Union disagrees with the opinion of this specialist the case may be referred, if desired by the Union, to the Lahey Clinic, Pratt Diagnostic Clinic or an equivalent clinic at joint expense of the Company and the Union. The opinion of this clinic shall be final and binding on all parties.
- E. The Company will withhold the provisions of this Plan from any employees whose disability (including sickness) arose from work with another employer, or any future disability (including sickness) which arises from work with another employer.
- F. Employees affected under the Medical Retrogression section will have "one shot" to bid a vacancy within two (2) years from the date they are placed in their new position without losing their wage protection. These employees will also be required to progress unless the Company and the Union mutually agree.

PROCEDURE ON "PAY-FOR-TIME-WORKED"

A. Probationary Employees

Each absence of a probationary employee will be carefully analyzed. The absentee record is an important factor in determining whether a probationary employee should be allowed to become permanent.

(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).

B. Permanent Employee

1. The Record

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

2. First Interview - Warning

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. Following the meeting the department head will send a letter to the employee summarizing the conclusions of the meeting, with copies going to the Union and the Personnel Department.

In the first meeting, the employee should be told of the difficulties in running a department when an individual is frequently absent and also that the Company's sick pay policy was not designed for such excessive absenteeism. If the employee would like to see the Company doctor, this should be arranged, and the doctor's recommendation received. If the individual does not want to see the Company doctor, he should be told that his absentee record must improve or he may be placed on a pay-for-time-worked basis. A continuing bad record may mean the individual is not employable.

3. Second Interview

The absentee record will be checked every three (3) months, and if there is no improvement in three to six (6) months after the warning, the department head should call in the employee and tell him he is being placed on a pay-for-time-worked basis effective immediately. 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 & Labor Relations Department.

4. Follow-up

a. Failure to Improve

The absentee record of an individual on a pay-for-time-worked basis will be checked every three (3) months and if no improvement is observed within one year, a discussion between the department head, Employee & Labor Relations Department, the Union, and the Medical Department should be held to determine what action, if any, should be taken.

b. Improvement

If the employee's absentee record improves to the point where it is no longer considered excessive for a six (6) month period* then the department head may 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 (1) 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. 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 (1) 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 reviewing on an individual basis.

C. Definition of Pay-For-Time-Worked

Those employees placed on a pay-for-time-worked status will not be paid Sickness and Accident Benefits or Workers' Compensation Make-Up Benefits for the first five (5) days of any absence.

D. General

On occasion an employee may feel that the Company is questioning the legitimacy of his declared illnesses. This is not the case. The above procedure is based on excessive absenteeism which is a matter of record. Therefore, this procedure would not cover an instance where an employee is known to have falsely claimed an absence due to illness, nor would it cover a situation where an employee failed to properly notify the Company of his absence.

Employees hired after June 16, 1975 will not be paid Sickness and Accident Benefits or Workers' Compensation Make-Up Benefits for the first three (3) days of any absence during the first two (2) years of employment.

WAGE REDUCTION PLAN

In connection with the Wage Reduction Policy established in 1960, no employee in the bargaining unit with five full years of continuous service will be furloughed because of lack of work in his classification due to automation, plant closings, sub-contracting, etc.

Should reduction of forces become necessary for any reason, the Union will be consulted and every attempt made to achieve the reduction by attrition.

In the event that employees are displaced from their classifications by reason of a reduction of forces, the following will apply:

1. Discuss the matter with the Local involved.
2. Such employees may displace other employees of the Company pursuant to the Seniority Provision.
3. If no jobs are available within Local 318, employees will be offered jobs in other areas of the Company. If an employee refuses to accept, he may take advantage of the Severance Pay Plan (B-18).
4. A permanent employee who is transferred to a lower rated job classification in accordance with this section shall retain his rate of pay upon such transfer.
5. Employees reduced to lower rated job classifications are 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 feel there are extenuating circumstances. Employees failing to bid, or accept assignments, may have their wages reduced. All assignments will be made in accordance with the seniority provision of the contract.

SEVERANCE PAY PLAN

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

- (a) Regular employees who have completed one (1) year 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 and the Company will reimburse affected employees up to one thousand dollars (\$1,000) for any training program that assists them in their re-employment efforts.
- (b) Severance pay benefits shall not apply to employees:
 - 1. Discharged for just cause.
 - 2. Retiring from the Company (including salary medical retirement).
 - 3. Leaving on leave of absence.
 - 4. In event of death.
- (c) Severance benefits shall be in addition to any earned vacation benefits for which the separated employee is eligible.

Employees accepting severance benefits will also be entitled to recall rights. Severed employees will forfeit the balance of the severance if recalled during the severance period.

USE OF OUTSIDE CONTRACTORS

There are types of "non-recurring" jobs or construction peaks which are better handled by specialists. Examples of this are trench and pipe work, earth moving and large structural jobs.

There is no intent to displace regular employees by these outside forces. Whenever sufficient work exists in any area to justify additional permanent employees on a full time basis, such employees will be added. Shifting patterns of load growth within the Company and uncertainty with respect to long-term load growth make it difficult to match local forces against work load on a continuing basis. A desire to maintain stability of employment and the flexibility to use forces where the priority work load exists will be the prime consideration in determining manpower increases.

The Company agrees to notify the Local Union, as soon as the date can be determined and in advance of starting work, when these contractors are to be used in the Local area.

The Union will have the right to call to Management's attention any condition that they may consider detrimental to the employees of the Company relative to work proposed, or being performed by outside contractors, and Management agrees to discuss this condition with the Union, and to take whatever remedial action may be agreed to in these discussions.

Outside contractors will adhere to all Company safety practices.

PREMIUMS

1. Shift Differential

Effective May 11, 2009, employees assigned to classifications requiring work on shifts shall receive, in addition to their regular rate, a premium of two dollars and ten cents (\$2.10) per hour for the time worked on the second (evening) shift and on third (night) shift.

Effective May 10, 2010, employees assigned to classifications requiring work on shifts shall receive, in addition to their regular rate, a premium of two dollars and fifteen cents (\$2.15) per hour for the time worked on the second (evening) shift and on third (night) shift.

Effective May 9, 2011, employees assigned to classifications requiring work on shifts shall receive, in addition to their regular rate, a premium of two dollars and twenty cents (\$2.20) per hour for the time worked on the second (evening) shift and on third (night) shift.

2. Sunday Premium

A premium of 30% of the straight time base rate will be paid for all time worked on Sundays which is part of a regular schedule.

3. Mutual Aid

Scope:

This policy will be applicable when any employees are assigned to restore service in emergency situations outside of the geographic areas normally serviced by the Union's classifications assigned. The geographic areas include all National Grid and other Utility Company franchise areas.

Selection of Personnel:

When time and conditions permit, assignments will be made on the basis of seniority, if the senior qualified employees are not available, the junior qualified will be required to assist. Regulatory restrictions may preclude the use of the seniority as the sole method of assignment.

Wage Provisions:

Employees so assigned will receive their normal wage rates for the first eight (8) hours each day. Employees shall be credited with overtime for all work in excess of eight (8) hours in any day, including rest time, for the duration of the assignment. If a holiday occurs during this assignment, working time will be paid for at two and one-half (2½) times plus holiday pay. The assignment will terminate upon the employee's return to his normal reporting location.

Supervision:

Company supervisory employees will be assigned to direct the activities of employees assigned to provide Mutual Aid.

MINIMUM PAYMENT FOR CERTAIN OVERTIME

Employees subject to this agreement shall be paid a minimum of four (4) hours' pay at time and one-half (1½), or overtime pay for actual hours worked, whichever is greater, for each time called out during unscheduled hours.

This minimum shall not apply in any case where employees are assigned to work continuous overtime from the end of their regular workday. Overtime rate for actual time worked shall be paid for this continuous time.

This minimum shall not apply in any case where employees are called out two (2) hours or less prior to the start of their normal workday. Overtime rate for actual time worked will be paid for each call-out.

Employees receiving a minimum payment for call-outs up to four (4) hours prior to the start of their normal workday will not be entitled to additional overtime or minimum payments on subsequent call-outs within two (2) hours or less prior to the start of their regular shift.

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 cancelled 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.

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.

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.

PAYMENT FOR OFF-HOUR COVERAGE

Employees who are available for emergency calls in accordance with a written schedule posted by the Company during periods other than their regularly scheduled work day or work week shall be paid twenty-four dollars (\$24.00) for scheduled work days and forty-six dollars (\$46.00) for days of relief and holidays.

PROGRESSION - GAS SERVICE AND METER DEPARTMENT

1. New men entering the roster will be selected on the basis of the senior qualified applicant. Qualifications of applicants will be determined through the use of mechanical aptitude or comparable tests.

In order to avoid rigid application of test scores the Company will consider prior experience when determining qualifications.

2. Supervisors will make every effort to train the employee both by "on the job training" and "classroom instruction" and employees will cooperate in this training and instruction so that they may be qualified for promotion on the date scheduled.

PROCEDURE ON REST PERIODS

An employee who works unscheduled overtime between twelve o'clock (12:00) midnight and the beginning of his normal work schedule shall be entitled to an aggregate of eight (8) hours off between twelve o'clock (12:00) midnight and the beginning of his normal work schedule, except in cases of actual or threatened interruption to service or emergencies. If such eight (8) hours extend into the normal work schedule, the employee will suffer no loss in pay. This rest time may be taken at the latter part of the normal work schedule.

In any twenty-four hour period, an employee who has worked more than sixteen (16) consecutive hours shall be entitled to eight (8) hours off, except in cases of actual or threatened interruption to service or emergencies. If such eight (8) hours extend into the employees normal work schedule, the employee will suffer no loss of pay.

LEAVE OF ABSENCE

After five (5) years' service, an employee may be granted an unpaid leave of absence not to exceed two (2) months and such leave of absence cannot be given more than once in five (5) years except in unusual circumstances.

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

SUPERVISORS WORKING

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.

ANSWERING GRIEVANCES WITHIN FIFTEEN (15) DAYS

Grievances will be answered within fifteen (15) days; if not, the Local will be notified and given the reason for the delay.

AMOUNT AND PERIOD OF WAGES WHILE ON JURY DUTY

Full normal wages or salary will be paid to eligible employees while absent from work for Jury Duty for a period not to exceed six (6) weeks in any twelve (12) consecutive months commencing with the first day of absence from work. Full normal wages or salary will also be paid to eligible employees while absent from work to appear as witnesses in a court case or other legal process to which the employees have been required to attend by service of legal process. Wages or salary that the employees 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.

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

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.

FUNERAL LEAVE

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 five (5) consecutive days following the date of a death in the immediate family (spouse, domestic partner, children) three (3) days for (grandparent, parent, sister, brother, parent-in-law, grandchild), or in the immediate household. For other members of the family (grandparents of spouse, aunts, uncles, brother-in-law and sister-in-law) one (1) day without loss of pay will be granted if the funeral is held on a scheduled workday.

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.

PAYMENT OF WAGES FOR OTHER TIME NOT WORKED

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.

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

MISCELLANEOUS STIPULATIONS

1. Personal car use of Company business will be reimbursed at the standard mileage rate set by the IRS for the first fifteen thousand (15,000) miles per year and at the rate of twelve cents (\$0.12) per mile in excess of fifteen thousand (15,000) miles per year. The IRS escalator will become effective the first of the month following the announcement by IRS. The minimum trip allowance is two dollars and seventy-five cents (\$2.75).
2. It is agreed that just to circumvent the payment of overtime is not sufficient cause to change days of relief.
3. It is the intention of the Company to make no major changes in working conditions which are in effect and not covered by this agreement. If any such changes are to be made, prompt and reasonable notice will be given to the Union President as soon as possible. In the event the Union President requests further discussion, the Company will endeavor to arrange such discussion prior to making such change. The Company, after notifying the Union, will be responsible to notify all employees involved at the earliest possible time of such major changes whenever either party feels such a meeting is necessary.

PERFECT ATTENDANCE

Permanent employees, following one (1) full year of continuous employment will be entitled to a reward for each Calendar Year during which there are no absences except those due to jury duty, vacations, bereavement and union leaves of absence.

First year of perfect attendance, one (1) additional floating holiday and one hundred fifty dollars (\$150) will be awarded.

Second consecutive year of perfect attendance, one (1) additional floating holiday and two hundred twenty-five dollars (\$225) will be awarded.

Third consecutive year or more of perfect attendance, one (1) additional floating holiday and three hundred seventy-five dollars (\$375) will be awarded.

Awards are paid out the following year. Floating holidays are to be scheduled the same as the current vacation policy.

GAINSHARING AGREEMENT

This Memorandum of Understanding is made as of the 11th day of May, 2009 between NATIONAL GRID (the "Company") and LOCAL UNION NO. 318 of the UTILITY WORKERS UNION OF AMERICA, AFL-CIO-CLC, BUW COUNCIL (the "Union") and supplements the parties' Memorandum of Agreement made as of this date.

1. The Union members will participate in the Company's Gainsharing Award Program for the Gainsharing Program years occurring during the period of the collective bargaining agreement. The Company agrees to have a Gainsharing Program in each year of the contract.
2. The structure and administration of this Program, including the setting of goals, how the range of awards relates to the goals, the determination of whether goals have been met, and the computation of awards, will be in the discretion of the Company. Goals and triggers will be discussed with the Union and communicated to employees as soon as practicable after they are established each year.
3. The goals may include a combination of criteria related to individual Company performance, performance of individual Strategic Business Groups (SBGs), and individual performance.

Individual performance criteria for award eligibility is:

- An overall performance rating of a 1, 2, or 3 on the Bargaining Unit Employee Annual Performance Appraisal.

4. The triggers to determine whether Gainsharing Awards shall be paid in each year shall be the same triggers applied to management personnel.
5. Payouts will be made in a range from 0 to Threshold, Target, and Maximum levels, depending on triggers and achievement of goals.
6. The Company shall make its best efforts to distribute the awards as soon as practicable following the end of the plan year, but no later than June 30th. An employee must be employed with the Company at the time of distribution of awards to be eligible to receive an award. An employee whose status as an active employee is changed during the plan year because of retirement, or death will be given a partial award when awards are distributed based on the employee's cumulative annual base pay.
7. Gainsharing Awards will be based on a percentage of an employee's cumulative annual base pay.
8. The percentages to be used at Threshold, Target, and Maximum levels for each year are as follows:

% OF BASE WAGES

Threshold
1.0%

Target
1.5%

Maximum
3.0%

TUITION REIMBURSEMENT

1. The Company will reimburse employees, subject to the requirements listed in this Policy, for tuition, registration and other eligible fees required by the course (e.g. lab fees, computer fees and required student fees) based on the following schedule:

Tuition and Eligible Fees	95% for A
	85% for B
	50% for C (Undergraduate only)

2. The following conditions must be met before reimbursement will be made to the employee:

- a. An application approval must be met submitted, along with any transcripts, or other forms, prior to course registration. The application must be approved by the employee's immediate Supervisor, Department Manager and Corporate Training, Human Resources. The employee should obtain the Application for Tuition Assistance form with instructions from the Human Resources Department.
- b. Employees must reapply, in a timely manner, with tuition assistance form for new courses each school term/semester.
- c. Courses must be in an approved Company-related Undergraduate or Graduate degree program. Tuition assistance is available provided the degree program will enhance a employee's ability in his or her current position, or will prepare the employee for additional responsibility within the Company.
- d. The employee must be a full-time regular employee with at least six months of service. The employee must be performing satisfactorily to qualify for tuition the assistance program and to receive reimbursement. Studies and school schedules must not interfere with the job or interrupt regular working hours, on-call assignments or other work projects.
- e. The employee must still be in the Company's employ at the time of the course completion.
- f. Reimbursement for the percentage of tuition is contingent upon the applicant's submitting the Bursar's receipt and final grade to Corporate Training, Human Resources.
- g. The maximum reimbursement in any calendar year will be as follows:

Graduate	\$5,000
Undergraduate	\$4,000

3. The Company will reimburse employees 100% for tuition, books, registration and other fees incurred when the employee enrolls in a course at the request of the Company.
4. All reimbursements shall be in accordance with applicable tax laws.

MATERNITY LEAVE

Approximately one (1) month prior to delivery, obtain Maternity Package from the Employee Services infonet site. The Maternity Package includes: a Maternity Notification form, Maternity Return to Work Notification form, Timekeeper Maternity Procedures, FMLA policy, and applicable sick policies.

Once your Doctor requires that you must stop working due to your pregnancy, your maternity disability begins. Complete the Maternity Notification form and forward the form to the timekeeper in your area. The Manager/timekeeper will, in a timely manner, forward a copy of the Maternity Notification form to Employee Services. Following delivery, the Maternity Return to Work Notification form is completed and mailed to Employee Services.

Your sick leave (also referred to as Maternity Disability) is paid based on your years of service. You will be paid in full until your sick time is exhausted or your Doctor verifies that you are physically able to return to work. After you are cleared to return to work, you are entitled to take as many as twelve weeks of unpaid leave as outlined on the Family and Medical Leave Policy. FMLA will begin once you have been cleared to return to work or your full sick pay allowance is exhausted, whichever comes first.

The Maternity Return to Work Notification is completed by your Doctor following delivery. This form indicates when you are physically able to return to work. The date your Doctor indicates that you are physically able to return to work, is the date your maternity sick time/maternity disability ends. Before your Maternity Disability ceases, the Company needs to be informed of your decision regarding the status of your employment, i.e. Active (staying out using vacation and/or personal days) or Family Medical Leave. This is indicated on the Maternity Return to Work Notification form.

If you are taking FMLA:

If applicable, you will be responsible for paying the contribution towards benefits that you pay when you are an active employee. You will receive an invoice from the Benefits & Services department outlining your cost per week (based on the amount of weeks you are on FMLA) for medical and dental. The invoice must be paid in full before you return to work.

Part-time option with supervisory approval.

LOCAL 318 SCHEDULE OF WAGES

<<Effective 5/11/09>>

Unless otherwise addressed in the wage table, the following will apply:

- New hires enter at 75% of lowest step and move to 100% of lowest step after 6 months.
- Step progressions on an annual basis.
- Permanent Local 318 employees transferred to a new classification as a result of job posting will enter at the next to lowest step.

<u>CODE</u>		<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	<u>(4)</u>	<u>(5)</u>	<u>(6)</u>	<u>(7)</u>	<u>(8)</u>	<u>(9)</u>
<u>CUSTOMER METER SERVICES</u>										
8528	Working Leader	36.423								
8541	Meter Service Technician A	34.778								
8552	Meter Service Technician B	32.193	31.052	29.911	28.770	27.628	26.487	25.345	24.204	23.063
8500	Meter Service Representative	22.000	20.000	18.000	15.000					

- There is no forced progression from one classification to another.
- Employees will be hired into the MSR position at 100% of the wage rate. An employee hired directly into the MSTB position will be subject to the 75% wage provision for 6 months or until an MSR junior to him promotes to MSTB, whichever occurs first.
- Local 318 employees hired prior to June 1, 2009 who bid into CMS will enter at 7th step of Meter Service Technician B.

OPERATIONS & CONSTRUCTION

<u>CONSTRUCTION & MAINTENANCE</u>										
8566	QA/QC Assessor ^(a)	37.325								
8502	Crew Leader – upgrade for Tech A leading main crew	37.325								
8567	Paving Inspector/Tech A ^(b)	36.300								
8553	Technician A	36.300								
8555	Technician B ^(c)	34.122								
8556	Technician C	29.372	26.697	24.886	24.386					
8554 (8538)	Pipe Handler (Temporary)	20.000	17.500	15.000						
8531	Janitor	25.343	24.388	23.111						

(a) This is not a progression job.

(b) This is not a progression job. Existing Paving Inspector remains in C&M roster & incorporates all duties of Ops & Construct Inspector A.

(c) 3 years as Technician B to be promoted to Technician A.

- New hires into the Pipe Handler position will enter at 100% of the bottom rate. An employee hired directly into the Tech C position will be subject to the 75% wage provision for 6 months or until a Pipe Handler junior to him promotes to Tech C, whichever occurs first.
- Local 318 employees hired prior to June 1, 2009, who bid into C&M will enter at 4th step of Technician C.
- All employees must obtain a backhoe license within 6 months of entering the Technician C classification and maintain it.
- Employees must be in the department for 18 months in order to be eligible for a shift and OHC

<u>CODE</u>		<u>(1)</u>	<u>(2)</u>	<u>(3)</u>
AUXILIARY OPERATIONS				
8510	Field Trainer ^(a)	37.325		
8564	Technician A/Welder ^(b)	36.300		
8535	Tool Room Attendant ^(b)	36.300		
8508	Aux Ops Technician A	34.215	32.626	
8557	Aux Ops Technician B	32.113	27.716	
8501	Aux Ops Technician C	26.691	25.410	
8562	Aux Ops Pipe Handler	20.000	17.500	15.000

(a) This is not a progression job. Qualified candidates will come from the C&M roster.

(b) This is not a progression job.

- New hires into the Aux Ops Pipe Handler position will enter at 100% of the bottom rate. An employee hired directly into the Aux Ops Tech C position will be subject to the 75% wage provision for 6 months or until a Aux Ops PH junior to him promotes to Aux Ops Tech C, whichever occurs first.
- Local 318 employees in Construction & Maintenance or Damage Prevention roles on June 1, 2009, who move from one of these areas to fill a vacancy in Aux Ops will enter at the 2nd step from the bottom of Aux Ops B. Employees outside of one of these areas as of June 1, 2009, will enter at the 2nd step from the bottom of Pipe Handler.

DAMAGE PREVENTION				
8542	Ops & Construct Inspector A	36.162	35.108	
8544	Ops & Construct Inspector B	34.051	30.125	
8546	Ops & Construct Inspector C	29.243	26.814	24.385

- Local 318 employees in Construction & Maintenance or Auxiliary Operations roles on June 1, 2009, who move from one of these areas to fill a vacancy in Damage Prevention will enter at the second (2nd) step from the bottom of Ops & Construct Inspector B. Employees outside of one of these areas as of June 1, 2009, will enter at the second (2nd) step from the bottom of Ops & Construct Inspector C.

<u>PRODUCTION</u>				
8570	Operator A	36.162		
8571	Operator B ^(a)	34.051		
8572	Apprentice Operator ^(b)	33.557	33.036	
8516	General Laborer	25.343		

(a) Progression to Operator A is after a minimum of 12 months at Operator B, with management approval based on qualification and lead vaporization performance.

(b) Progression from Apprentice Operator to Operator B is after a minimum of 18 months from initial qualification, with management approval based on qualification.

CODE**(1)****(2)****(3)****(4)**

<<EFFECTIVE 5/11/09>>

Continued

PRESSURE CONTROL

8534	Leader Pressure Control	35.374			
8527	Inspector Pressure Control	32.275			
8525	Helper Pressure Control	28.543			

TRANSPORTATION

8518	Group Leader Garage (Working)	36.063			
8515	Garage Mechanic 1st Class	33.542	31.493	30.642	
8536	Mechanic Auto Apprentice	30.136	28.231	26.701	24.890

CUSTOMER ACTIVITIES

8504	Clerk Customer Relations	32.986	31.249	29.472	
8507	Customer Acctg. Clerk Senior	24.495	22.803	19.865	16.927
8503	Cashier	24.495	22.803	19.865	16.927
8506	Customer Acctg. Clerk Junior	21.296	19.865	17.553	15.622

STORES

8519	Group Leader Stores (Working)	32.598			
8549	Stock Clerk	32.076	29.384	27.567	25.961
8550	Stockhandler	29.384	27.567	25.961	24.388
8540	Senior Clerk Stores	23.433	22.803	19.866	16.931

LOCAL 318 SCHEDULE OF WAGES

<<Effective 5/10/10>>

Unless otherwise addressed in the wage table, the following will apply:

- New hires enter at 75% of lowest step and move to 100% of lowest step after 6 months.
- Step progressions on an annual basis.
- Permanent Local 318 employees transferred to a new classification as a result of job posting will enter at the next to lowest step.

<u>CODE</u>		<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	<u>(4)</u>	<u>(5)</u>	<u>(6)</u>	<u>(7)</u>	<u>(8)</u>	<u>(9)</u>
<u>CUSTOMER METER SERVICES</u>										
8528	Working Leader	37.334								
8541	Meter Service Technician A	35.648								
8552	Meter Service Technician B	32.998	31.829	30.658	29.489	28.319	27.149	25.979	24.809	23.639
8500	Meter Service Representative	22.550	20.500	18.450	15.375					

- There is no forced progression from one classification to another.
- Employees will be hired into the MSR position at 100% of the wage rate. An employee hired directly into the MSTB position will be subject to the 75% wage provision for 6 months or until an MSR junior to him promotes to MSTB, whichever occurs first.
- Local 318 employees hired prior to June 1, 2009 who bid into CMS will enter at 7th step of Meter Service Technician B.

OPERATIONS & CONSTRUCTION

<u>CONSTRUCTION & MAINTENANCE</u>										
8566	QA/QC Assessor ^(a)	38.259								
8502	<i>Crew Leader – upgrade for Tech A leading main crew</i>	38.259								
8567	Paving Inspector/Tech A ^(b)	37.208								
8553	Technician A	37.208								
8555	Technician B ^(c)	34.975								
8556	Technician C	30.107	27.365	25.508	24.995					
8554 (8538)	Pipe Handler (Temporary)	20.500	17.938	15.375						
8531	Janitor	25.977	24.998	23.688						

(a) *This is not a progression job.*

(b) *This is not a progression job. Existing Paving Inspector remains in C&M roster & incorporates all duties of Ops & Construct Inspector A.*

(c) *3 years as Technician B to be promoted to Technician A.*

- New hires into the Pipe Handler position will enter at 100% of the bottom rate. An employee hired directly into the Tech C position will be subject to the 75% wage provision for 6 months or until a Pipe Handler junior to him promotes to Tech C, whichever occurs first.
- Local 318 employees hired prior to June 1, 2009, who bid into C&M will enter at 4th step of Technician C.
- All employees must obtain a backhoe license within 6 months of entering the Technician C classification and maintain it.
- Employees must be in the department for 18 months in order to be eligible for a shift and OHC.

<u>CODE</u>		<u>(1)</u>	<u>(2)</u>	<u>(3)</u>
AUXILIARY OPERATIONS				
8510	Field Trainer ^(a)	38.259		
8564	Technician A/Welder ^(b)	37.208		
8535	Tool Room Attendant ^(b)	37.208		
8508	Aux Ops Technician A	35.070	33.441	
8557	Aux Ops Technician B	32.916	28.409	
8501	Aux Ops Technician C	27.358	26.045	
8562	Aux Ops Pipe Handler	20.500	17.938	15.375

(a) This is not a progression job. Qualified candidates will come from the C&M roster.

(b) This is not a progression job.

- New hires into the Aux Ops Pipe Handler position will enter at 100% of the bottom rate. An employee hired directly into the Aux Ops Tech C position will be subject to the 75% wage provision for 6 months or until a Aux Ops PH junior to him promotes to Aux Ops Tech C, whichever occurs first.
- Local 318 employees in Construction & Maintenance or Damage Prevention roles on June 1, 2009, who move from one of these areas to fill a vacancy in Aux Ops will enter at the 2nd step from the bottom of Aux Ops B. Employees outside of one of these areas as of June 1, 2009, will enter at the 2nd step from the bottom of Pipe Handler.

DAMAGE PREVENTION				
8542	Ops & Construct Inspector A	37.066	35.986	
8544	Ops & Construct Inspector B	34.902	30.878	
8546	Ops & Construct Inspector C	29.974	27.484	24.994

- Local 318 employees in Construction & Maintenance or Auxiliary Operations roles on June 1, 2009, who move from one of these areas to fill a vacancy in Damage Prevention will enter at the second (2nd) step from the bottom of Ops & Construct Inspector B. Employees outside of one of these areas as of June 1, 2009, will enter at the second (2nd) step from the bottom of Ops & Construct Inspector C.

<u>PRODUCTION</u>				
8570	Operator A	37.066		
8571	Operator B ^(a)	34.902		
8572	Apprentice Operator ^(b)	34.396	33.862	
8516	General Laborer	25.977		

(a) Progression to Operator A is after a minimum of 12 months at Operator B, with management approval based on qualification and lead vaporization performance.

(b) Progression from Apprentice Operator to Operator B is after a minimum of 18 months from initial qualification, with management approval based on qualification.

<u>CODE</u>		<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	<u>(4)</u>	<<EFFECTIVE 5/10/10>> Continued
<u>PRESSURE CONTROL</u>						
8534	Leader Pressure Control	36.258				
8527	Inspector Pressure Control	33.082				
8525	Helper Pressure Control	29.257				
<u>TRANSPORTATION</u>						
8518	Group Leader Garage (Working)	36.964				
8515	Garage Mechanic 1st Class	34.381	32.280	31.408		
8536	Mechanic Auto Apprentice	30.889	28.936	27.369	25.512	
<u>CUSTOMER ACTIVITIES</u>						
8504	Clerk Customer Relations	33.810	32.030	30.209		
8507	Customer Acctg. Clerk Senior	25.108	23.373	20.361	17.350	
8503	Cashier	25.108	23.373	20.361	17.350	
8506	Customer Acctg. Clerk Junior	21.829	20.361	17.992	16.013	
<u>STORES</u>						
8519	Group Leader Stores (Working)	33.413				
8549	Stock Clerk	32.878	30.118	28.257	26.610	
8550	Stockhandler	30.118	28.257	26.610	24.998	
8540	Senior Clerk Stores	24.018	23.373	20.362	17.354	

LOCAL 318 SCHEDULE OF WAGES

<<Effective 5/9/11>>

Unless otherwise addressed in the wage table, the following will apply:

- New hires enter at 75% of lowest step and move to 100% of lowest step after 6 months.
- Step progressions on an annual basis.
- Permanent Local 12012-04 employees transferred to a new classification as a result of job posting will enter at the next to lowest step.

CODE		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<u>CUSTOMER METER SERVICES</u>										
8528	Working Leader	38.267								
8541	Meter Service Technician A	36.539								
8552	Meter Service Technician B	33.823	32.624	31.425	30.226	29.027	27.828	26.628	25.430	24.230
8500	Meter Service Representative	23.114	21.013	18.911	15.759					

- There is no forced progression from one classification to another.
- Employees will be hired into the MSR position at 100% of the wage rate. An employee hired directly into the MSTB position will be subject to the 75% wage provision for 6 months or until an MSR junior to him promotes to MSTB, whichever occurs first.
- Local 318 employees hired prior to June 1, 2009 who bid into CMS will enter at 7th step of Meter Service Technician B.

OPERATIONS & CONSTRUCTION

CONSTRUCTION & MAINTENANCE										
8566	QA/QC Assessor ^(a)	39.215								
8502	Crew Leader – upgrade for Tech A leading main crew	39.215								
8567	Paving Inspector/Tech A ^(b)	38.138								
8553	Technician A	38.138								
8555	Technician B ^(c)	35.850								
8556	Technician C	30.859	28.049	26.146	25.620					
8554 (8538)	Pipe Handler (Temporary)	21.013	18.386	15.759						
8531	Janitor	26.626	25.622	24.281						

(a) This is not a progression job.

(b) This is not a progression job. Existing Paving Inspector remains in C&M roster & incorporates all duties of Ops & Construct Inspector A.

(c) 3 years as Technician B to be promoted to Technician A.

- Employees will be hired into the MSR position at 100% of the wage rate. An employee hired directly into the MSTB position will be subject to the 75% wage provision for 6 months or until an MSR junior to him promotes to MSTB, whichever occurs first.
- Local 318 employees hired prior to June 1, 2009, who bid into C&M will enter at 4th step of Technician C.
- All employees must obtain a backhoe license within 6 months of entering the Technician C classification and maintain it.
- Employees must be in the department for 18 months in order to be eligible for a shift and OHC.

CODE**(1)****(2)****(3)**

<<EFFECTIVE 5/9/11>>

Continued

AUXILIARY OPERATIONS

8510	Field Trainer ^(a)	39.215		
8564	Technician A/Welder ^(b)	38.138		
8535	Tool Room Attendant ^(b)	38.138		
8508	Aux Ops Technician A	35.947	34.277	
8557	Aux Ops Technician B	33.739	29.119	
8501	Aux Ops Technician C	28.042	26.696	
8562	Aux Ops Pipe Handler	21.013	18.386	15.759

(a) *This is not a progression job. Qualified candidates will come from the C&M roster.*

(b) *This is not a progression job.*

- New hires into the Aux Ops Pipe Handler position will enter at 100% of the bottom rate. An employee hired directly into the Aux Ops Tech C position will be subject to the 75% wage provision for 6 months or until an Aux Ops PH junior to him promotes to Aux Ops Tech C, whichever occurs first.
- Local 318 employees in Construction & Maintenance or Damage Prevention roles on June 1, 2009, who move from one of these areas to fill a vacancy in Aux Ops will enter at the 2nd step from the bottom of Aux Ops B. Employees outside of one of these areas as of June 1, 2009, will enter at the 2nd step from the bottom of Pipe Handler.

DAMAGE PREVENTION

8542	Ops & Construct Inspector A	37.993	36.886	
8544	Ops & Construct Inspector B	35.774	31.650	
8546	Ops & Construct Inspector C	30.724	28.171	25.619

- Local 318 employees in Construction & Maintenance or Auxiliary Operations roles on June 1, 2009, who move from one of these areas to fill a vacancy in Damage Prevention will enter at the second (2nd) step from the bottom of Ops & Construct Inspector B. Employees outside of one of these areas as of June 1, 2009, will enter at the second (2nd) step from the bottom of Ops & Construct Inspector C.

PRODUCTION

8570	Operator A	37.993		
8571	Operator B ^(a)	35.774		
8572	Apprentice Operator ^(b)	35.256	34.708	
8516	General Laborer	26.626		

(a) *Progression to Operator A is after a minimum of 12 months at Operator B, with management approval based on qualification and lead vaporization performance.*

(b) *Progression from Apprentice Operator to Operator B is after a minimum of 18 months from initial qualification, with management approval based on qualification.*

<u>CODE</u>		<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	<u>(4)</u>	<<EFFECTIVE 5/9/11>> Continued
<u>PRESSURE CONTROL</u>						
8534	Leader Pressure Control	37.165				
8527	Inspector Pressure Control	33.909				
8525	Helper Pressure Control	29.988				
<u>TRANSPORTATION</u>						
8518	Group Leader Garage (Working)	37.888				
8515	Garage Mechanic 1st Class	35.240	33.087	32.194		
8536	Mechanic Auto Apprentice	31.662	29.660	28.053	26.150	
<u>CUSTOMER ACTIVITIES</u>						
8504	Clerk Customer Relations	34.655	32.831	30.964		
8507	Customer Acctg. Clerk Senior	25.736	23.958	20.870	17.784	
8503	Cashier	25.736	23.958	20.870	17.784	
8506	Customer Acctg. Clerk Junior	22.375	20.870	18.442	16.413	
<u>STORES</u>						
8519	Group Leader Stores (Working)	34.248				
8549	Stock Clerk	33.700	30.871	28.963	27.275	
8550	Stockhandler	30.871	28.963	27.275	25.622	
8540	Senior Clerk Stores	24.619	23.958	20.871	17.788	

IN TESTIMONY WHEREOF the parties hereto have caused these presents to be executed by their respective officers thereunto duly authorized this 11th day of May, 2009.

NATIONAL GRID

THE UTILITY WORKERS UNION OF AMERICA,
AFL-CIO-CLC, LOCAL 318, BROTHERHOOD OF
UTILITY WORKERS COUNCIL FOR ITSELF AND ITS
MEMBERS WHO ARE EMPLOYEES OF
NATIONAL GRID

Mark E. Smith
Vice President, Employee & Labor Relations

D. Michael Langford
National President

Thomas J. Ryan, III
Director, Employee & Labor Relations

Robert Mahoney
National Representative

Alexandria (Sandy) Krysiak
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President

Gary F. Bennett

Sean Furey

John C. Higgins

Joseph A. O'Keefe

Shane F. Sabino

L. Scott Torrey

Company Committee

Union Committee