

**2009
Madison Gas and Electric Company
IBEW Local No. 2304
Contract Settlement Summary**

Length of Contract

Three Years (May 1, 2009 through April 30, 2012)

Wages

Effective **April 20, 2009** – **3.0%** general wage increase to all classifications. The 3.0% general wage increase will be applied retroactively to each employee's rate for straight time and overtime hours paid since April 20, 2009.

Effective **January 11, 2010** - **\$1.00 per hour increase** for Gas Operations Specialty classes listed in **Attachment A**.

Effective **January 11, 2010** - **\$.40 per hour increase** for Electric Transmission and Distribution Class A and above classifications listed in **Attachment A**.

Effective **May 3, 2010** - **3.0%** general wage increase to all classifications.

Effective **May 2, 2011** - **3.0%** general wage increase to all classifications.

Line Technician & Trouble Technician Pay Adjustment – the wages of the Line Technician & Trouble Technician – CL A (78-117) are adjusted to be the same as the Line Technician, CL A & Cable Technician – CL A (78-147), including the corresponding Crew Leader pay rates.

Mandatory On-Call Compensation for Viroqua/Elroy/Crawford and Facilities Management
Employees who are on call in Viroqua, Elroy, Crawford and Facilities Management shall be compensated as follows: Monday through Friday and work days preceding holidays = one (1) hour of straight time pay per day. Saturdays, Sundays and holidays = two (2) hours of straight time pay per day. Employees will be paid at the appropriate overtime rate and shall not have an expansion of the current duties they are performing on their weekend work.

Double-Time Pay for Working Holidays for Scheduled Shift Workers — Employees whose schedules provide for work on any day a holiday is celebrated shall receive double-time for scheduled hours worked. Employees selecting to accumulate holidays will be paid double-time for holidays worked and straight time when the accumulated holidays are taken in the succeeding vacation year.

Retirement Savings Plan – Employees Hired on or After January 1, 2007

Effective January 11, 2010 – The MGE Retirement Savings Plan is improved. In addition to the 6% automatic employer contribution negotiated in 2006, there is now an added Company matching contribution of \$.50 for each \$1.00 of employee contribution up to 6% of pay. Company contributes matching contribution at the same time as the employee contribution.

Total Company contribution is 9% of pay if employee contributes 6% of pay.

- Company match is 100% vested at time of contribution
- Company will true-up matching contribution if employee contributes less than 6% for any individual pay period, but contributes 6% or more for the calendar year (means that employee is guaranteed the full 3% match for any year in which the employee contributes 6% or more of pay).
- New employees will be auto enrolled at 4% (no change from current). A new feature will be an automatic step-up feature to increase contribution 1% annually each May (near the time of pay increase) until the employee contribution is 6% of pay. Employee may override either auto enrollment or the step-up feature to increase or decrease their contribution any pay period.

Health Insurance

The Union and the Company agree to work together to support the Company's Wellness initiative.

GHC/Dean HMO Plans (Effective January 1, 2010)

- Eliminate the office visit co-pay of \$10 for adult preventive care physical exams to encourage routine preventive care.
- No change to the generic prescription drug co-pay of \$5. Increase the co-pay for brand name drugs to the lesser of 25% of the drug cost or \$40.

GHC PPO Plan (Effective January 1, 2010)

- Improve the annual preventive care maximum benefit from \$500 to \$1,000 to encourage routine care.
- Change the prescription drug benefit co-pay as shown below:

Type of Prescription Drug	Current	New
Formulary Brand	20% to a Maximum of \$20	25% to a Maximum of \$40
Formulary Generic	10% to a Maximum of \$10	\$5 or the Drug Cost if Less

- No change to the deductible or out-of-pocket maximum benefits for In-Network providers. Increase the deductible and out-of-pocket maximum for **Out-of-Network** benefits as shown below:

Plan Provision	Current	New
Deductible – Out-of-Network	\$200 – Individual \$400 – Family	\$300 – Individual \$500 – Family
Out-of-Pocket Maximum Out-of-Network	\$1,500 \$2,000	\$2,000 \$3,000

Health Insurance (Continued)

Dean Point of Service Plan (Effective January 1, 2010)

- Change the brand formulary prescription drug benefit co-pay as shown below (no change to co-pay for generic formulary or nonformulary co-pays:

Type of Prescription Drug	Current	New
Formulary Brand	\$15	25% to a Maximum of \$40

- No change to the deductible or out-of-pocket maximum benefits for In-Network providers. Increase the deductible and out-of-pocket maximum for **Out-of-Network** benefits as shown below:

Plan Provision	Current	New
Deductible – Out-of-Network	\$200 – Individual \$400 – Family	\$300 – Individual \$500 – Family
Out-of-Pocket Maximum – Out-of-Network (Excludes Deductible)	\$1,500 – Individual \$2,000 – Family	\$2,000 – Individual \$3,000 – Family

Employee Contribution to Premium

Employee contribution to premium (currently 10%) to increase permanently by 1% for any plan (calendar) year in which the composite increase (HMO, PPO and POS) to MGE's active employee premiums is 8% or greater in 2010, 7% or greater in 2011 and 7% or greater in 2012.

Health Insurance Certificate Changes

Notwithstanding any provision in this contract to the contrary, the Parties agree that MGE will incorporate annual certificate changes as recommended by its insurers to our plan design, as approved by the Office of the Insurance Commissioner with an exception for changes to co-pays and coinsurance or significant benefit decreases.

GHC HMO and GHC PPO Certificate changes from 2008 and 2009 to be adopted effective January 1, 2010 as outlined on **Attachment B**.

Health Care Legislation

Notwithstanding any provision in this contract to the contrary, the Parties agree that the portions of this contract relating to MGE's health care benefits will be negotiated during the term of the contract in the event that any local, state or federal legislative or regulatory change is finalized which requires MGE to change its benefits or administer its plans in such a way that is significantly different than the present benefits delivery. Benefits delivery shall include funding, eligibility, level of benefits or provider networks.

Joint Insurance Committee

The Company and the Union agree to work with the Joint Insurance Committee to investigate additional health and dental care options for retirees.

Dental Benefits (Effective January 1, 2010)

Modify and improve benefits as shown below:

- **Additional Cleanings.** Enhanced benefits such as additional cleanings during each calendar year for pregnant women, persons with diabetes or persons with a history of periodontal surgery based on Delta Dental guidelines (up to 4 visits per year) subject to Delta Dental guidelines.
- **Sealant Coverage.** Increase coverage of sealants for primary or permanent molars for members through 18 years of age.
- **X-Ray Frequency.** Based on American Dental Association recommendations, reduce the frequency of coverage for full-mouth x-rays from once every three years to one every five years to reduce exposure to radiation. Bitewing x-rays will continue to be covered one time per twelve-month period.
- **Implant Coverage.** Currently not a covered benefit, to be covered subject to deductible and 50% coinsurance.

Vision Benefits (Effective May 1, 2009)

The Company will provide IBEW employees with a vision care reimbursement plan at no cost to the employee. There is no dependent vision coverage. Employees may receive up to a \$250 reimbursement once in a two-year period. Eligible expenses include eye exam, eyeglass frames and lenses, contact lenses or corrective eye surgery. Reimbursement is available only for expenses that are not reimbursed from another source, such as the health plan. Expenses not reimbursed through the MGE vision or health plan may be submitted to the flexible spending account plan. The initial two-year period will commence on May 1, 2009.

Meals for Employees

Employees will receive \$18.81 meal allowance anytime they work overtime with the exception of overtime immediately following their regular scheduled shift in which case they will receive this meal allowance after working two hours of overtime. For periods of extended unscheduled overtime, a meal allowance, in addition to the meal allowance provided above, will be awarded every six-hours of overtime. Employees will not be paid for the time required to eat the meals except where it is imperative that they remain at work or must immediately return to resume work or begin their regularly scheduled shift (no more than 30 minutes will be allowed for the meal at the beginning of the shift). For a list of frequently asked questions regarding the meal program see **Attachment C**.

Energy 2015

Various updates were negotiated to the Energy 2015 plan. Among the changes are guaranteed employment for the top-25 IBEW-represented employees by seniority who are in the classifications needed upon conversion, retention incentives for employees that stay at the Company to conversion, and recall language for employees that are laid-off at conversion. For complete details see **Attachment D**.

Vacation Benefits

New IBEW Employees – Employees hired on or after March 1, 2009 will receive vacation prorated based on 80 hours for each full month worked between their date of hire and the end of the vacation year end date. For example, an employee hired on September 1, 2009, would receive 40 hours of vacation to be used by February 28, 2010 (6 months divided by 12 months is 50% multiplied by 80 hours).

New Employees with at Least Five Years of Qualifying Professional Experience – Employees who are hired on or after May 1, 2009 at the journey level or Class A level or skilled employees who have at least five years of qualifying professional experience, as determined by the employer, and who are eligible to be hired at the journey or higher level but are hired below those levels, the Company will credit them with five years of seniority for the allocation of vacation. Employees hired into these classifications on or after May 1, 2004 with five years of qualifying professional experience as determined by the employer will be credited with five years of seniority for allocation of vacation. Current MGE employees who qualify will receive an additional week of vacation for the 2009-2010 vacation year. For scheduling of vacation, length of service with the Company will be given preference in the assignments.

Single Vacation Days – Any employee regardless of seniority will be permitted to schedule up to five single vacation days. Starting on a two-year trial basis in 2010, employees with four or more weeks of vacation may schedule up to five additional single days in a vacation year subject to departmental rules and approval of the supervisor.

Accumulated Holidays – Blount

All employees eligible to accumulate holidays will now be allowed to accumulate six holidays (48 hours) instead of five (40 hours). This provision is effective for holidays in the 2009-10 vacation year to be used in the 2010-11 vacation year.

Catastrophic Leave

The language requiring that donations from the same bargaining unit having to be used first has been eliminated. Donations will be used in the order they are received.

Network Training

The Company and the Union agree to convene a committee in the Network consisting of Union representatives and management representatives to identify the training needs of the Network department.

Substations/Electric Meter Shop Apprenticeships

The Company and the Union will work together to gather the information necessary to determine if indentured apprenticeship programs are feasible in these areas. If so, the parties will negotiate the particulars of the program(s) and/or the lines of progression and pay.

Line Technician – Safety and Training

The Company intends to create a position in Electric Transmission and Distribution whose primary duties will be to provide training and direct and enforce safety in the department. The Company will offer the Union the opportunity to meet to discuss the position prior to its creation.

Copies of Discipline

The Company shall send copies to the Union office of all discipline meted out to Union members within 24 hours of issuance.

Rest Period

Improvements were made to the rest period language. See **Attachment E** for details.

Energy Production Early Relief

Language agreed upon in May 2008 regarding early relief provisions in Energy Production will be added to the Labor Agreement. See **Attachment F** for details.

First Responder Operations Level Duties – WCCF

Language agreed upon in December 2008 regarding OSHA-required training at WCCF will be added to the Labor Agreement. See **Attachment G** for details.

Probationary Period – Temporary Employees

When a temporary employee is hired into a permanent position, the time they spent as a temporary employee will count towards their 9-month probationary period as long as the employee moves into the same or a similar job, as determined by the Company, when hired on as a regular employee.

Selection of Arbitrators

An impartial umpire or arbitrator shall, if possible, be mutually agreed upon by the parties. If agreement on the arbitrator is not reached within ten (10) days after the date of the notice requesting arbitration or if the parties do not agree upon a method of selecting an arbitrator within ten (10) days, then the Wisconsin Employment Relations Commission (WERC) shall be requested to submit a panel of five (5) arbitrators. The party requesting the arbitration shall strike the first name and, after each party has struck two (2) names, the remaining person shall be chosen as the arbitrator. Either party may, within five (5) working days of receipt of the panel, notify the other party and the WERC of its intent to reject the entire panel. Upon receipt of such notice, the WERC shall submit a new panel. The option to reject the entire panel may only be exercised by each party once per grievance.

Bereavement Leave

Updates to the bereavement leave language were made to more clearly define who is covered by the term “immediate family.” See **Attachment H** for details.