

AGREEMENT

BETWEEN

DUKE ENERGY CAROLINAS, LLC

AND

**LOCAL UNION 962
INTERNATIONAL BROTHERHOOD
OF
ELECTRICAL WORKERS
(TRANSPORTATION)**

DECEMBER 1, 2018

TO

NOVEMBER 30, 2020

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AGREEMENT

THIS AGREEMENT, made and entered into this 29th day of November, 2018, by and between **DUKE ENERGY CAROLINAS, LLC** a corporation incorporated under the laws of the state of North Carolina, hereinafter called the "Company," party of the first part, and **LOCAL UNION 962 of the INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS**, hereinafter called the "Union," as exclusive collective bargaining representative for all employees of the Company listed in Part I, Section 1 hereof, now or hereafter employed by the Company during the term of this Agreement.

The terms and conditions set forth in this Agreement shall be applied without unlawful discrimination of any kind on account of race, age, sex, color, creed, religion, national origin, veteran, or disability. Reference made herein to male gender shall be deemed to include female gender.

PART I - GENERAL PROVISIONS

Section 1. RECOGNITION

A. The Company recognizes the Union as the duly designated and exclusive representative for the purpose of collective bargaining with respect to rates of pay, hours of work, and other conditions of employment for the following employees, provided that any individual employee shall have the right at any time to present grievances to the Company, and provided further that the bargaining representative will be given the opportunity to be present at any adjustment of such grievances:

All regular full-time and regular part-time fleet maintenance employees of the Fleet Services Department located at the Area Garages in Durham, North Carolina, and Greensboro, North Carolina, excluding office clerical employees, dispatchers, and supervisors as defined in the Act as amended.

B. The Company agrees to meet with duly accredited officers and committees of the Union when requested and agrees to deal with the Union as hereinafter provided.

Section 2. DUES DEDUCTION

The Company agrees that it will deduct Union dues from the earnings of member employees from whom it has received a lawfully executed voluntary written dues deduction authorization. The Company agrees to remit such dues monthly to the appropriate official(s) of the International Brotherhood of Electrical Workers, Local Union 962. The Union will notify the Company in writing of the exact amount to be deducted, and will indemnify and hold the Company harmless against any claims or liability incurred by reason of such dues deduction.

The Company shall provide the Union with time to discuss with new employees, the Union and the existence of the Collective Bargaining Agreement.

Section 3. MANAGEMENT

The Union recognizes that the management of the Company, the direction of the working forces, the subcontracting of work, the determination of the number of employees it will employ or retain, and the right to hire, suspend, discharge, discipline, promote or transfer, and to release or lay off employees because of lack of work or for other proper and legitimate reasons, are vested in and reserved by the Company, subject, however, to the provisions of this Agreement and the employees' right of adjusting grievances as provided herein.

There shall be no discrimination, restraint, interference or coercion by the Company or the Union or any agent of either against any employee because of his membership or non-membership in the Union.

Section 4. PERFORMANCE AND CONDUCT

Employees of the Company, members of said Union, agree and this Union agrees that said members and employees will perform loyal and efficient service; that they will be attentive to their duties; that they will observe and conform to the rules and regulations of the Company; that they will comply with the instruction and directions of the officers of the Company over them. The Union agrees further for itself, the Union of which it is an affiliate and for its individual members, to give the Company the fullest cooperation to the end that the utility may grow its service to the public, increase in efficiency, volume and scope and the revenue and resulting profit from its operation become greater.

Section 5. PROBATIONARY PERIOD

All new employees shall be classified as probationary employees for a period of one (1) year. If such employees are continuously employed beyond the term of the probationary period, the employee will be classified as a regular employee and seniority will begin as of the date of original employment.

The Company shall have the right to lay off or discharge probationary employees for cause and there shall be no responsibility for re-employment if they are laid off or discharged during the probationary period. Probationary employees shall have no recourse to the grievance procedure as set forth in Part II, Section 1.

Section 6. MEDICAL EXAMINATIONS

A. All medical examinations required as a condition of continued employment shall be made by a physician selected by the Company and paid for in full by the Company. Should an employee be dissatisfied with the examination as reported by the Company's physician, he may

employ at his own expense his own physician and the Company will consider the report of the employee's physician in making any decision as to the employee's continued employment, provided the report of the employee's physician is submitted to the Company within two weeks of receipt by the Company of the report of the Company's physician. Should the employee be dissatisfied with the Company's decision as to the employee's continued employment, the employee may seek a review of the decision under the provisions of Part II, Grievance and Arbitration, of this Agreement.

B. The Company agrees to, if possible, notify an employee scheduled for a physical examination required by Department of Transportation regulations of the date and time of the examinations no later than the last day before the scheduled date. Employees who are absent from work on the date of a scheduled examination will be rescheduled for the examination at the Company's option, without such notice.

Section 7. UNION ACTIVITIES ON COMPANY PREMISES

It is permissible for a local designated Union employee to collect Union dues from members on Company premises before working time, during unpaid lunch period, or after working hours.

Section 8. BULLETIN BOARDS

The Union will be allocated space on designated Company bulletin boards where notices pertaining to meetings, social events, and other legitimate Union business may be posted.

Section 9. SENIORITY

A seniority list shall be furnished the Union Business Manager upon request. Such list shall reflect the seniority of each employee covered by this Agreement.

"Seniority" shall mean length of continuous employment with the Company.

Section 10. EMPLOYEE BENEFITS

During the term of this Agreement, the retirement benefit programs (Cash Balance Retirement Program and Retirement Savings Program) that were in effect on April 1, 2015 will not be changed by the Company except in accordance with the changes reviewed by the Company with the Union in negotiations for this Agreement or in accordance with any further changes agreed upon by the Company and the Union.

Employees hired on or before March 31, 2014, will continue to participate in the Duke Energy Retirement Cash Balance Plan, in accordance with its terms. Employees who are hired or rehired on or after April 1, 2015 will not be eligible to participate in the Duke Energy Retirement Cash Balance Plan, and, instead, will be eligible to receive a Company contribution equal to 4% of eligible pay under the Duke Energy Retirement Savings Plan, subject to a three-year vesting requirement. All employees will be eligible to participate in the 401(k) and employer matching contribution provisions of the Duke Energy Retirement Savings Plan in accordance with its terms.

Employees in the bargaining unit will be provided the same medical, dental, life, sick pay, dependent care pay and disability insurance benefits as those provided to the general non-represented employee population. The Company shall make no changes in the benefit plans without providing at least twenty (20) business days' notice of any change prior to the effective date of the change. Any changes must apply to both the Union and the general non-represented employee population. The Company will unilaterally implement changes only once in a calendar year and will endeavor to make the changes effective upon the beginning of the following calendar year.

Section 11. SICKNESS ALLOWANCE

Employees unable to work due to illness may be eligible for illness pay.

Effective January 1, 2015, all regular full-time hourly employees who are unable to perform their work due to illness may be eligible for sick pay for the time they would have regularly worked in accordance with such benefits provided to other hourly paid employees in Duke Energy not represented by the Union.

Employees desiring to use sick leave for any doctor's appointments including routine physical examinations, dental appointments or eye examinations, must notify their supervisor at least forty eight (48) hours prior to the beginning of the work schedule. Each such absence must be certified as bona fide by a licensed practitioner and will be limited to such time as is necessary for such appointments not to exceed 24 hours per calendar year (26 bi-weekly pay periods).

Any employee who abuses the sickness allowance pay or Short-Term Disability benefits by engaging in deceptive behaviors or providing fraudulent documentation will be subject to corrective action by the Company, and if a member of the Union, also by the Executive Board of the Local Union.

The above provisions do not apply to temporary employees who may be hired from time to time.

Section 12. VACATIONS

Effective January 1 of each year the Company will allow vacations with pay each calendar year to each regular full-time employee as follows.

- (a) During the first year of employment, employees will earn 1 day per month up to a maximum of 80 hours. Employees who begin work on the first day of the month through the fifteenth day of the month will accrue a day of vacation that first month. Employees who start on the sixteenth day of the month or thereafter will begin accruing vacation the following month.

(b) Beginning the second calendar year of employment employees will be eligible for vacation as follows;

- Eighty (80) hours vacation during the year of the second anniversary.
- One hundred twenty (120) hours vacation during the year of the fifth (5th) anniversary.
- One hundred sixty (160) hours vacation during the year of the twelfth (12th) anniversary.
- Two hundred (200) hours vacation during the year of the twenty-first (21st) anniversary.
- Employees with 20 years of service as of Jan. 1, 2019 will retain the ability to earn the 6th week of vacation when they reach 32 years of service. New hires and employees with less than 20 years of service as of Jan. 1, 2019 will no longer be eligible to earn a sixth week of vacation after 32 years of service. Employees who have already earned a sixth week of vacation will retain that benefit.

Vacation benefit eligibility is renewed on January 1st of each calendar year. Current year vacation hours are accrued at 1/12 of the current year's vacation eligibility for every month worked on active payroll. However, an employee may take the entire current year's vacation eligibility at any time during the year.

Vacation pay shall be 40 hours a week at straight-time rates. Vacation can be taken in no less than 1-hour increments.

Such vacations shall be arranged as mutually agreed upon between the employees and the Company and scheduled at such time as shall least interfere with the operations of the Company. Any vacation in excess of eighty (80) hours not taken in a calendar year shall be forfeited. An employee may carry over from one calendar year to the next unused vacation hours not to exceed more than eighty (80) hours.

No employee shall lose holiday rights due to a holiday falling in his/her vacation period, but shall be entitled to an extra day on account of such holiday.

An employee covered by this agreement who becomes ill or injured prior to the first day of a scheduled vacation period, and while still at the local residence, shall, upon prompt notification to appropriate supervision have the vacation period rescheduled.

If an employee is hospitalized during a scheduled vacation due to a cause other than employment outside the Company, the unused portion of vacation falling within the period of illness shall, upon employee's request, be rescheduled after recovery if sufficient time remains in the calendar year.

Employees shall choose vacations in accord with their length of service.

An employee whose employment is terminated shall be paid for any vacation due and not taken during the calendar year of the notice of termination of employment subject to the following terms and conditions:

- (a) No vacation or vacation pay shall be allowed after discharge for cause.
- (b) At the option of the Company, an employee may either be required to take vacation due or paid for vacation due in lieu thereof.
- (c) Upon resignation, an employee must give the Company the required two weeks' notice of the quitting date.

- (1) When an employee resigns with the proper two weeks notice or retires in accordance with retirement plan provisions, the employee is eligible to be paid for current year unused vacation hours that have accrued as of the month in which the termination occurs.
- (2) An employee who has taken vacation in excess of the amount accrued in the current year at the time of termination will not be required to repay the amount in excess of the accrual.
- (3) An employee will receive pay for any vacation carried over in accordance with the provisions for vacation carryover.

Section 13. BEREAVEMENT LEAVE, JURY DUTY, AND EDUCATIONAL LEAVE

A. Employees may be allowed up to 5 regularly scheduled, paid work days off within a maximum of 7 calendar days for the death of an immediate family member. Employees may receive up to 3 regularly scheduled, paid work days off within a maximum of 5 calendar days for the death of an extended family member. Bereavement paid time off may be taken in 1 hour increments.

Immediate Family Members include employees' spouses or domestic partners, employees' parents, siblings and children (including children of domestic partners) as follows:

Immediate Family Members include:

| | |
|---|--------------|
| Spouse | Step-Child |
| Domestic Partner | Foster Child |
| Parent (natural or adoptive) | Sister |
| Step-parent | Brother |
| Child (natural or adoptive) | Half-Sister |
| Child of Domestic Partner | Half-Brother |
| Foster Child of Domestic Partner | Step-Sister |
| Child for whom employee is legal guardian | Step-Brother |

Extended Family Members include the siblings of the employees' spouse or domestic partner, grandparents, grandchildren, aunts, uncles, nieces and nephews (including spouse and domestic partner family relationships as follows:

Extended Family Members include:

| | |
|--|--|
| Grandchild of Employee, Employee's Spouse or Domestic Partner | Brother or Sister of Spouse or Domestic Partner |
| Grandparent of Employee, Employee's Spouse or Employee's Domestic Partner | Brother's or Sister's Spouse or Domestic Partner |
| Mother/Father In-Law (Spouse's Parents) | Son or Daughter-in-law |
| Mother/Father of Domestic Partner | Son's or Daughter's Domestic Partner |
| Half-Brother/ Sister or Step-Brother/Sister of Spouse or Domestic Partner | Step-Parents of Spouse or Domestic Partner |
| Nephew/Niece of Employee or Employee's Spouse or Employee's Domestic Partner | Aunt/Uncle of Employee, Employee's Spouse or Employee's Domestic Partner |

The above provisions concerning absence for a family death shall not apply when the employee is off duty due to illness, or injury, or for any other reason when the employee is receiving pay for time not worked. Should the death of any of the aforementioned relatives occur prior to the first day of an employee's scheduled vacation period, the employee shall, upon prompt notification to appropriate supervision, have the vacation period rescheduled. Should an employee be on vacation when any of the listed family members die, his/her supervisor may designate up to five days of the vacation as Bereavement Leave provided the employee has notified his/her supervisor about the death as soon as possible.

B. An employee serving as an active pallbearer at the funeral for a fellow employee, or retired employee, may be excused for the necessary time, not to exceed one day, without loss of regular pay.

C. Full-time employees actually performing jury duty will be paid their regular rate for the time lost from their regular work while so serving, but time spent in performing jury duty will not be taken into account in computing overtime.

D. Each full-time employee shall be eligible to take in any calendar year up to ten (10) hours of educational leave. Educational leave must be taken in increments of not less than one (1) hour and must be taken for educational-related reasons for the employee's own child or others (e.g., parent-teacher conferences, tutoring, parent-teacher organization meetings). The request to take educational leave shall be subject to the approval of the employee's immediate supervisor. An employee desiring to take educational leave should, if possible, notify his/her immediate supervisor of the desire to do so at least twenty-four (24) hours in advance of the time he/she wishes to take the leave. An employee who leaves employment with the Company for any reason shall not be paid for any educational leave not taken, nor shall any educational leave not taken be carried over to the next calendar year.

E. The above provisions do not apply to temporary employees, who may be hired from time to time.

Section 14. LEAVES OF ABSENCE

A. The Company agrees that all officers or members of the Union committees shall have preference over all other members of the Union in securing leave of absence on business for the Union. Any member of the Union elected or appointed to an office in the Union which requires his absence from work shall upon retirement from such office be reinstated to his former position in the Company's service, provided he applies for such reinstatement within thirty (30) days from the date of his retirement from such office; and provided that he is mentally and physically fit to qualify for the job. The leave of absence for Union business provided for by this paragraph shall be available to only one employee at any one time.

The Company agrees to pay the premium for group hospital and medical and group dental insurance coverage for any employee granted a leave of absence for the time the employee is on the leave of absence, up to a maximum of twelve (12) weeks. The Company will also continue to pay for the same period the same amount of the premium for any dependent coverage carried by the employee that the Company pays for employees not on leave of absence.

B. Employees, not to exceed three in number, who are elected or selected to represent the Local Union shall, after proper notice to their immediate supervisor, be allowed time off without pay to attend state or national conventions or seminars of the Union; provided that such time off shall not exceed a total of ten working days in a calendar year for all employees from the Local Union taking such time off.

Section 15. WORKERS' COMPENSATION

Any regular full-time employee who may be unable to perform his/her work on account of an accident resulting in an injury arising out of and in the course of employment under the Workers' Compensation Act shall be paid one half of the difference between what he/she would have received at regular work and the amount received as compensation for such injury, for a period not to exceed 26 weeks. Payments hereunder shall be subject to the following conditions:

- (a) Payments shall begin on the eighth consecutive calendar day following the injury, provided that the employee shall be paid what he/she would have received at regular work for the first seven consecutive calendar days following the injury;
- (b) For each such incapacity the Company as a condition of any payment hereunder may require the employee to furnish a certificate from a doctor designated by the Company and other evidence of disability satisfactory to the Company;

- (c) An employee losing a limb while at regular duties will have it replaced with an artificial limb and this, in turn, will be kept in usable condition as long as the employee lives.

If an employee becomes unable to perform the essential functions of the job as a result of a disability, with or without a reasonable accommodation, the Company will endeavor to place such employee in other work, if available, which, in the judgment of the Company, can be performed by such employee without reduction in the employee's rate of pay. When the Company is unable to place such employee in other work without reduction in rate of pay, the Company will consider placement of the employee in an existing vacancy in another classification at the rate of pay for that classification. Should the Company elect to place an employee in another classification and the employee's rate of pay is reduced as a result, the Company will notify the employee's Local Union representative so that the representative may be present when the matter of changing the employee's rate of pay is discussed with the employee.

Section 16. PART-TIME EMPLOYEES

A. The Company shall have the right to employ part-time employees in such numbers as the Company shall deem necessary. The Company may assign part-time employees to perform any of the work covered by this Agreement. Part-time employees utilized to perform any of the work covered by this Agreement shall be paid at a rate that shall not be less than 80% of the entry rate for a full-time employee in the classification in which the part-time employee is working.

B. Subject to the provisions of this section, part-time employees shall be covered by all provisions of this Agreement except for Part I, Sections 8, 9, 10, 11, 12, 13, 17, 18 and 19, and Part III, Sections 1, 2, 3, 7 and 8. Part II, Grievance and Arbitration, shall apply to part-time employees only to the extent set out in that part.

C. Part-time employees in the bargaining unit who have been employed for more than ninety (90) days on a regularly scheduled basis shall be eligible for the benefits listed on Appendix A to this Agreement. The employee's eligibility for each benefit listed shall be on the basis set out in Appendix A.

Section 17. EMPLOYEE'S LICENSE

The Company will reimburse each employee who is required by state law to have a commercial driver's license (formerly Class A or B) because of his work duties, the cost of initial procurement and renewal of the license. No employee who already holds a commercial driver's license (formerly Class A or B) at the time he enters employment with the Company will be reimbursed for the cost of such license. The Company will provide commercial driver's license training to employees required by state law to have a commercial driver's license because of their work duties.

Section 18. WORKING IN HIGHER CLASSIFICATION

A. A fleet employee may be temporarily assigned by supervision to work as a substitute in a higher classification. Upon such temporary assignment, the employee shall receive his regular pay. If such employee works for eight (8) consecutive working hours or more in the higher classification, he/she shall receive an additional fifty cents (\$0.50) per hour for all time so assigned, including the first eight (8) consecutive working hours.

B. An employee may be temporarily placed by supervision in charge of another employee or employees. The employee so assigned shall, in addition to his/her regular pay, receive an additional one dollar and fifty cents (\$1.50) per hour for all time so assigned.

Section 19. REDUCTION IN FORCE AND RECALL

A. Should the Company find it necessary to lay off employees covered by this Agreement, the employees will be laid off in reverse order of their location seniority. If possible, the Company will give employees advance notice that they will be laid off.

B. Should the Company find that need exists for such services as laid off employees can render, the Company will recall laid off employees to duty in the reverse order of their layoff, provided they are mentally and physically fit to qualify for the job. An employee may be recalled only to an opening within the classification held by the employee at the time of layoff and at the location at which he/she was employed.

C. The Company will notify each employee to be recalled by certified mail to the employee's last known address on file with the Company. It is the responsibility of the employee to keep the Company advised of his/her address. If an employee fails to report to work within fifteen (15) days after the date of mailing by the Company of the written notice to report (or at such later date as the Company might specify in the notice to report), the Company will be relieved of any further obligation to the employee or to offer employment to the employee.

D. An employee recalled from layoff must be employed a minimum of fifteen (15) days before he/she may again be laid off.

E. Layoffs of twenty-four (24) consecutive months or less shall not interrupt seniority.

F. The Company shall have no obligation to recall employees who have been on layoff for twenty-four (24) consecutive months or more. Any such employees rehired by the Company shall be treated as new hires.

G. If any employee(s) covered by this Agreement would be laid off as a result of a decision by the Company to subcontract any of the work performed by such employee(s), the

Company will give the Union notice of the decision to subcontract at least four weeks prior to its implementation date and during this period the Union may discuss the matter with the Company.

Section 20. SERVICE PAY

The Company will pay a laid off employee service pay according to the following schedule.

| <u>Length of Service of Laid Off Employee as of Date of Layoff</u> | <u>Amount of Service Pay</u> |
|---|-------------------------------------|
| More than 3 months to 2 years | 4 weeks |
| More than 2 years to 7 years | 5 weeks |
| More than 7 years to 15 years | 6 weeks |
| More than 15 years to 24 years | 7 weeks |
| More than 24 years | 8 weeks |

The service pay will be paid to the laid off employee on a biweekly basis after the layoff date until the laid off employee has received all of the service pay to which he/she is entitled, provided, however, that should the laid off employee return to full-time employment with the Company before he/she has received all of the service pay to which he/she is entitled under the terms of this section, the service pay shall cease upon the return to employment.

Section 21. PAC VOLUNTARY CONTRIBUTIONS

For the term of the current Agreement, the Company agrees that it will deduct and transmit to the IBEW Local 962 Political Action Committee (IBEW Local 962 PAC) voluntary contributions to the IBEW Local 962 PAC from the earnings of those employees who voluntarily authorize such contributions on forms provided for that purpose by the IBEW Local 962 PAC, unless the authorization is revoked by the employee. The amount of such deductions and the transmittal of such voluntary contributions shall be as specified in such forms in conformance with any applicable state or federal statute and regulations. The Union agrees that it will defend, indemnify, and hold the

Company harmless against any and all claims made upon or suits initiated against the Company arising out of or resulting from the application of the provisions of this Section. The Union further agrees to reimburse the Company in the cost of this program as provided in the Federal Election Campaign Act.

PART II - GRIEVANCE AND ARBITRATION

Section 1. GRIEVANCE PROCEDURE

A. The Company agrees to meet and treat with the duly accredited officers, committees and representatives that are elected or selected by the members of the Union, upon any questions and grievances that may arise hereunder between the parties hereto during the life of this Agreement regarding the meaning or operation of any provision of this Agreement. While the department heads and officials of the Company will be available and willing to hear and discuss grievances at any appropriate time, insofar as possible grievances shall be considered by and between representatives of members of the Union and the representative of the Company immediately in charge of the operations out of which the controversy arose. Any grievance not presented in writing to both parties within thirty (30) days after its alleged occurrence will not be recognized by either the Company or the Union. Grievances shall be handled locally within thirty (30) days after being filed. If grievances are not settled within thirty (30) days, they will be handled by the Local Union with the General Office. If the grievance is presented to the General Office, the General Office will furnish the Local Union its decision in writing within thirty (30) days after the initial conference between the representative of the Union and the Company representative from the General Office.

B. Any employee covered by this Agreement who has been suspended or discharged shall have the right, upon written notice to the Company within twenty (20) calendar days after such suspension or discharge, to have his case taken up by the officers, committees or representatives of

the Union with the representative of the Company; and in such cases where, upon investigation, it is found and mutually agreed to by the representatives of the Union and of the Company that such employee who has been suspended or discharged was not at fault, he shall be reinstated to his former position and paid the wages to which he would have been entitled had he continued in the Company's employment, during the period of suspension or discharge. Nothing herein shall abridge the right of the Company to relieve or discharge employees from duty because of lack of work or for other proper causes.

C. If settlement of any grievance is not reached within the time limits specified in Paragraphs A and B, the grievance may be referred to arbitration in writing by either party within thirty (30) days thereafter; provided, however, that if the matter is not referred to arbitration in writing within thirty (30) days as above provided, the Company and the Union hereby agree that the matter will no longer be arbitrable. Provided further, that the Company and the Union agree that the only grievance concerning a part-time employee covered by this Agreement which shall be arbitrable shall be a grievance arising out of the application of the provisions of this Agreement which cover part-time employees and a grievance by a part-time employee concerning the discharge of the employee for fault. It is understood by the parties the term "discharge of the employee for fault" shall not include the discharge of a part-time employee for attendance-related reasons.

Upon agreement, the Company and the Union may extend or vary the time limits set out in Paragraphs A and B.

When meetings between the aggrieved employee and his representatives and the representatives of the Company are mutually arranged, employees affected shall not lose their pay for scheduled time lost because of attending such meeting.

The authorized representative or representatives of the Union who are employees may discuss with the Fleet Maintenance Supervisor or Fleet Maintenance Manager, general matters pertaining to the interpretation or administration of any terms of this Agreement without having to resort to the grievance procedure.

Section 2. ARBITRATION PROCEDURE

Any differences arising between the Company and the Union under the provisions of this Agreement regarding the meaning or operation of any provision, which the authorized representatives of the Company and the Union are unable to settle, shall be referred to a Board to consist in each case of four members, two to be selected by the Union and two to be selected by the Company. Each party shall select its members and notify the other party of its selection within thirty (30) days after a grievance has been referred to arbitration and the other party has received written notice of that fact. This board will meet as soon as possible following its appointment and will study the evidence in the case and try to reach an agreement. In the event an agreement is reached, it shall be final and binding on both parties hereto. The Company and the Union shall each bear the expenses of their own representatives.

The Union's Business Manager and the Company's Manager of Labor Relations may agree to waive the appointment of the Board referred to in the preceding paragraph. In the event the Union's Business Manager and the Company's Manager of Labor Relations agree to waive the appointment of a Board, the parties shall jointly request the American Arbitration Association to submit a list of seven names of arbitrators, residents of the Southeastern United States (8 states as identified in 1978 by U. S. Department of Labor as Region IV), from which an arbitrator shall be selected by each Party alternately striking one name on the list until only one (1) name is left and this person shall be the arbitrator. The party striking first will be determined by a flip of a coin. The request for a list of the

names of arbitrators shall be submitted by the parties to the American Arbitration Association within fifteen (15) days from the date the parties agree to waive the appointment of a Board. The arbitrator selected by the parties shall hear the evidence in the case as promptly as possible and render a decision within thirty (30) days after the close of the evidence, which decision shall be final and binding on both parties. The arbitrator appointed shall have no power to add to or take from or modify the express terms of the Agreement. The Company and the Union shall bear the expense of their own representatives and the expense of the arbitrator shall be borne equally by the Union and the Company.

In the event the Board named above indicated is unable to settle the matter within fifteen (15) days, the parties shall jointly request the American Arbitration Association to submit a list of seven names of arbitrators, residents of southeastern United States (8 states as identified in 1978 by U. S. Department of Labor as Region IV), from which an arbitrator shall be selected by each party, alternately striking one name on the list until only one (1) name is left and this person shall be the arbitrator. The party striking first will be determined by a flip of a coin.

The arbitrator thus selected together with the four members of the Board previously selected shall constitute the arbitration panel. The arbitration panel thus selected shall hear the evidence in the case as promptly as possible and render a decision within thirty (30) days after the close of the evidence, which decision shall be final and binding on both parties hereto. The arbitrators appointed, as hereinbefore provided, shall have no power to add to or take from or modify the express terms of the Agreement. The Company and the Union shall bear the expense of their own representatives and the expense of the arbitrator shall be borne equally by the Union and the Company.

Section 3. STRIKES AND LOCKOUTS

The members of the Union agree that during the continuance of this Agreement there shall be no strikes (including sympathy strikes), sit-downs, or walkouts, or other concerted cessation of work by members of the Union, and the Company on its part agrees that during the continuance of this Agreement there shall be no lockouts of the members of the Union, it being the mutual desire of both parties hereto to provide uninterrupted and continuous service to the public. Nothing herein, however, is intended to prevent the resignation or discharge of individuals, discharge being subject to review under the conditions and in the manner hereinbefore provided for.

PART III - MAINTENANCE DEPARTMENT

Section 1. PROMOTIONS

Promotions in each Area Garage will be made from class to class as positions in higher classes are available and as employees qualify for same, but it is understood that employees, although qualified for higher classifications, will not be moved up until positions in higher classifications are available. Other qualifications being equal, vacancies in higher classifications and new jobs will be filled on the basis of Area Garage seniority.

Section 2. CALL-OUTS

Fleet Maintenance Technicians may be placed "on call" and "called out" during hours that the garages are not in operation.

When an employee is "on call" to take care of duties necessary to maintain customer service, the employee is not required to remain on the employee's premises but is required to furnish supervision with a telephone number where he/she can be reached should the need arise. Employees will be furnished with a pager or other communications device to aid in contact should the need arise

for the employee's services. "On call" is not considered as time worked and will not be paid for. Pay for the call out will begin when the employee arrives at the garage ready to begin working or when they leave their residence and travel to an alternate location as directed by supervision.

Assignment for call out will be based on seniority and rotated to assure equitable distribution among all employees. The on call duty period for each employee will begin each Monday at the opening of each garage facility and end one week later.

It is agreed that employees, by mutual agreement and with the consent of supervision, may temporarily exchange on call assignments between themselves.

Employees who are assigned call out but are unable to take the duty as assigned should contact Supervision as soon as possible so that alternate arrangements can be made.

If an employee is called out and part or all of the time worked during the callout is past midnight and the employee is scheduled to work the following day, then if his/her supervisor agrees, the employee shall receive the next day a rest period of up to ten (10) hours without loss of pay for any regularly scheduled time lost because of the rest period, should the employee request a rest period.

A fleet employee called out during off hours shall be guaranteed minimum pay at the overtime rate on the following basis:

- (a) Employees reporting for work between 7:00 a.m. and 10:00 p.m. shall be paid a minimum of 2 hours.
- (b) Employees reporting for work between 10:00 p.m. and 7:00 a.m. shall be paid a minimum of 3 hours.
- (c) Employees reporting for work on Sunday and holidays shall be paid a minimum of 3 hours.

If another call-out occurs within the original guarantee period, the employee will be paid at the overtime rate for the elapsed time beginning with the original call-out up to the time of another call-out and the guarantee period shall be changed to begin with the starting time of the latest call-out.

If the guarantee period for a call-out merges into the employee's scheduled hours of work, he will be paid at the overtime rate for the time actually elapsed between his report for call-out and his regular starting time of scheduled work.

When employees are called out or perform work outside of scheduled hours and miss a meal thereby, the Company will provide a meal. The Company will provide meals when employees continue to work after the close of the regular day for as much as two hours and at approximately five hour intervals thereafter until released from duty. Employees who continue to work one hour or more beyond their entitlement to a meal shall be provided the meal before being released from duty.

The Company will have the following options to provide a meal:

- a) Directly purchase the meal and provide it to the employee;
- b) Provide a meal allowance at a rate which will be set by the Company and may be unilaterally increased by the Company from time to time.

Section 3. OVERTIME

A. Fleet employees will be paid overtime at the rate of time and one-half their rate for all hours worked in excess of forty (40) hours per week. Should an employee's work day be extended beyond his/her normal work schedule, all time worked beyond the regularly scheduled hours will be paid for at one and one-half times the employee's regular rate; but in no event shall the Company be required to pay overtime more than once for the same hour or hours.

B. Employees working on the Duke Energy - Carolinas System and/or the legacy Progress Energy Carolinas System (as existed prior to July 2, 2012) but away from their home location shall receive a rest period of up to eight (8) hours when employees are paid from the time they leave the place of lodging until they return to the place of lodging. Meals will be provided during paid work time.

C. Employees working away from the Duke Energy – Carolinas System and/or the legacy Progress Energy Carolinas System (as existed prior to July 2, 2012) shall receive a rest period of up to eight (8) hours and all hours worked shall be paid at 1 ½ times the regular rate of pay. Employees will be paid from the time they leave the place of lodging until they return to the place of lodging. Meals will be provided during paid work time.

D. Employees' working away from the Duke Energy System, shall be paid double time for all hours worked. Employees will be paid from the time they leave the place of lodging until they return to the place of lodging.

Section 4. HOLIDAYS

The following are authorized holidays: New Year's Day, Good Friday, Memorial Holiday, Fourth of July, Labor Day, Thanksgiving Day, Friday after Thanksgiving, Christmas Day, another day at Christmas, and three (3) days of the employee's choice. The pay an employee receives for a holiday shall be determined by the employee's regularly scheduled work hours. To be eligible to receive holiday pay, an employee must be on the active payroll and receive pay during the pay period in which the Company observed holiday falls. Eligible employees shall have the following options with regard to holiday pay:

- (1) Actual Holiday. An employee scheduled to work on an actual holiday (the calendar date on which the holiday falls) may, before the holiday occurs, elect to either work

on the holiday and be paid one and one-half (1½) times the employee's straight time rate for all hours worked on the holiday and take another day off for the holiday, or forego the holiday and be paid two and one-half (2½) times the employee's straight time rate for all hours worked on the actual holiday. The employee shall provide his/her supervisor with as much notice as possible of the option he/she prefers, but in no event less than forty-eight (48) hours' notice prior to the holiday. In the event the employee fails to notify his/her supervisor of a choice, the employee shall be paid two and one-half (2½) times his/her straight time rate for all hours worked on the actual holiday and shall not receive another day off for the holiday.

- (2) Designated or Scheduled Holiday. A "designated holiday" is the work day selected by the Company on which to observe a holiday when the actual holiday falls on a scheduled day off, such as a Saturday or Sunday. A "scheduled holiday" is an alternate date agreed upon between the supervisor and the employee to be observed as a holiday when an employee has elected to take another day off after working on an actual or designated holiday. An employee scheduled to work on either a designated or a scheduled holiday shall be paid at the straight time rate for all hours worked and may elect to take another day off for the holiday (equal to the hours scheduled for the holiday) or, in lieu of taking another day off, may elect to be paid an additional eight (8) hours' pay at the employee's straight time rate. The employee must inform his/her supervisor of the option elected before the designated or scheduled holiday occurs.
- (3) An employee scheduled to work on a holiday, who elects to take another day off, shall agree upon the day off with his/her supervisor.

- (4) Should a Company observed holiday fall on an employee's normally scheduled day off, the employee shall be afforded another day off for the holiday. The employee and his/her supervisor shall agree upon the day off.
- (5) An employee shall not lose holiday rights due to a holiday falling within a vacation period.
- (6) An employee may elect to take the employee choice holiday at any time during the calendar year, provided that the actual day on which the employee choice day is to be taken shall be subject to management approval. Pay shall be at straight time rates.
- (7) Employees who are not scheduled to work on an observed holiday, but who are called out, will be paid for the holiday. In addition, the employee will be paid one and one-half ($1\frac{1}{2}$) times the regular rate of pay for hours paid up to the number of hours he/she is paid for the holiday. Additional hours will be paid at two and one-half ($2\frac{1}{2}$) times the straight time rate. The employee shall not have the option of taking a day off later for the holiday.
- (8) In lieu of (7) above, employees who are not scheduled to work on a holiday and are called out on the holiday may elect to take another day off rather than be paid a holiday allowance provided work schedules will permit the rescheduling of the holiday in the same calendar year. Hours worked, in this instance, will be at the normal overtime rate.

Section 5. TOOL REPLACEMENT

The Company will replace, without cost to the employee, personal tools of the employee which are worn out through normal wear and tear in the service of the Company and employee personal tools which are stolen from a Company-secured storage facility as a result of forcible entry. Personal tools of the employee turned in for replacement by the Company shall become the property of the Company. The Company's obligation to replace personal tools of the employee shall be limited to replacement with tools of equal quality, and the choice of make, model and brand of such tools shall be in the discretion of the Company.

Section 6. SAFETY

A. In accordance with the Company's Safety Shoe Policy, newly eligible employees in Fleet, will be eligible for reimbursement of reasonable expenses associated with the initial purchase of boots, not to exceed a total of \$300. Following the initial purchase, employees in this group will be eligible to receive reimbursement, not to exceed \$300 every two years, for the purpose of replacing worn boots.

B. Employees will be provided with the equipment necessary for the safe handling of hazardous work, including rubber boots that meet the requirements for an employee's position, i.e. "muck" type boots.

C. One (1) representative of the bargaining unit may, upon request, participate in the quarterly safety meeting conducted with IBEW 962 representatives and with members of Management, Labor Relations and others the Company may select, to discuss safety matters.

Section 7. SHIFT DIFFERENTIAL PAY

Effective December 1, 2010, fleet employees assigned to work on regularly established evening and night shifts shall be entitled to receive, in addition to their regular rate of pay, a shift differential on the following basis:

- A. Where the starting of an employee's regularly scheduled hours falls between 10:00 a.m. and 5:59 p.m., the employee shall receive a shift differential of eighty (\$0.86) cents per hour for all hours actually worked during such shift.
- B. When the starting of an employee's regularly scheduled hours falls between the hours of 6:00 p.m. and 2:00 a.m., the employee shall receive a shift differential of ninety (\$0.96) cents per hour for all hours actually worked during such shift.
- C. No shift differential shall be paid for any unscheduled hours worked or for any hours not actually worked.

Section 9. WORK WEEK

A. The regular working hours will be forty (40) hours per week but the Company may establish regular working hours of other than forty (40) hours per week. Work schedules for individual employees will be established by the Company. In the scheduling of regular working hours for Fleet Maintenance employees, the Company will consider qualifications, performance and business needs. Where qualifications, performance and business needs are equal, seniority shall govern. In the event it is necessary to change an employee's work schedule, the Company will endeavor to give the employee twenty-four (24) hours' notice of the change. When an employee's regularly scheduled hours are changed with less than twenty-four (24) hours' notice, all hours worked prior to the expiration of the required twenty-four (24) hour notice period shall be considered off schedule hours and shall be compensated at one and one-half times the employee's straight time rate of pay. Any employee who is given less than twenty-four (24) hours' notice of a change in his/her regularly scheduled hours, and who loses regularly scheduled time thereby, will be paid at regular straight time rates for such time lost until the required twenty-four (24) hour notice period has expired. Notice of a change in schedule shall be given by or at the direction of a supervisory employee. Provisions in this paragraph concerning twenty-four (24) hours' notice of a schedule change and the action to be taken in the event such notice is not given do not apply in the event a change in schedule is necessary due to the absence of an employee. In such cases the Company will give as much notice as possible to the employee whose regularly scheduled hours are changed as the result of the absence of another employee.

B. A Fleet Maintenance employee who has worked sixteen (16) hours or more within a twenty-four (24) hour period, said period beginning with the employee's regularly scheduled starting hour, or sixteen (16) consecutive hours, shall be entitled to a ten (10) hour rest period before returning

to work. The term "regularly scheduled starting hour" shall in like manner apply to an employee's off day. If said rest period extends into the employee's basic work day, no regularly scheduled time shall be lost thereby.

The above provision shall not prevent a Fleet Maintenance employee from working the regularly scheduled work period if he/she so desires and the supervisor agrees, in which event pay shall be at two times the regular rate for all hours worked until receiving a rest period of ten (10) consecutive hours.

This section does not apply to Fleet Maintenance employees changing shifts.

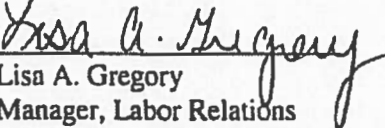
C. Employees will choose shift assignments based on seniority except that any employees hired or transferred into jobs covered by this collective bargaining agreement after December 1, 2008 may be assigned to rotating shifts.

PART IV - TERM OF AGREEMENT

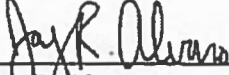
This Agreement shall continue in full force and effect from December 1, 2018, to November 30, 2020, and shall thereafter continue in effect until either party gives the other not less than sixty (60) days' notice in writing of a desired change. This agreement contemplates an annual re-opener as to wages only, **PART III - MAINTENANCE DEPARTMENT, Section 7. HOURLY RATES.**

IN TESTIMONY WHEREOF, the parties hereto have caused this Agreement to be duly signed, the Duke Energy Carolinas by its Director, Labor Relations, and Local Union 962 of Greensboro, North Carolina, of the IBEW, by its Business Manager.

DUKE ENERGY CAROLINAS, LLC

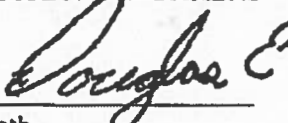


Lisa A. Gregory
Manager, Labor Relations
Duke Energy Corporation

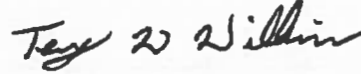


Jay R. Alvaro
Director, Labor Relations
Duke Energy Corporation

LOCAL UNION NO. 962 OF
INTERNATIONAL BROTHERHOOD
OF ELECTRICAL WORKERS



Doug Leath
President
IBEW Local 962 (Transportation)



Terry Williams
Business Manager
IBEW Local 962 (Transportation)

APPENDIX A

Part-Time Benefits

Effective December 1, 2002

| Benefit | Features of Part-time Reduced Schedule of 20 to 39 Hours/Week | Features of Part-Time Schedule of Less than 20 Hours/Week |
|-------------------------------------|--|--|
| Adoption Assistance* | Employees are provided up to 80% of covered adoption expenses, up to a maximum of \$ 1,000.00. | Same. |
| Consern Loans for Education | Employees are eligible to apply for loans at attractive interest rates to help pay for education expenses of employees and their dependents. | Same. |
| Dental Plan* | The plan provides coverage for preventive, basic and major restorative care as well as orthodontia. Full-time contribution rates apply. | Same coverage is available, with higher contribution rates. |
| Education Reimbursement* | Employees are reimbursed 50% of covered expenses, which may include tuition, registration, laboratory and shop fees. | Same |
| Employee Assistance Program | The Company provides to employees and immediate family members the opportunity to confidentially discuss and resolve personal problems with the assistance of a professional counselor. | Same. |
| Employee Relocation Program* | This program is designed to cover the expenses of relocating the employee and family to a new work location. Management determines the package offered, if any. Payment of relocation expenses is a business unit decision | Not eligible. |
| Excellence in Education* | Employees are eligible for up to five hours of paid time off each calendar year for school-related activities such as parent/teacher conferences and volunteer work that directly benefits the students. | Same |
| FMLA* | Employees are eligible for an unpaid leave of absence. The amount of leave is prorated based on normal part-time workweek. | Same |
| Bereavement Leave | Employees may be allowed up to 5 regularly scheduled, paid work days off within a maximum of 7 calendar days for the death of an immediate family member. Employees may be allowed up to | Same. |

| Benefit | Features of Part-time Reduced Schedule of 20 to 39 Hours/Week | Features of Part-Time Schedule of Less than 20 Hours/Week |
|--|--|--|
| | 3 regularly scheduled, paid work days off within a maximum of 5 calendar days for the death of an extended family member as defined in Section 12. | |
| Holidays* | Employees are eligible for company observed holidays that fall on an actual workday for the employee and paid for the scheduled hours. | Same. |
| Job Posting Program | Employees are eligible to apply for internal JOBS postings following one year of performance in their current position, with the permission of supervision. | Same. |
| Jury Duty | Employees are paid at their regular straight-time rate of pay for time lost from work while serving on the jury, based on scheduled hours. | Same. |
| Life Balance Resources | The Company provides resources to help employees meet personal and family obligations such as child care, elder care, parenting, educational or life balance issues. | Same. |
| Life & Accident Insurance Plans | The company provides Basic Life Insurance, Basic Accidental Death & Dismemberment (AD&D) and Business Travel Accident Insurance coverage to employees at no cost. Employees may purchase Supplemental Life Insurance, Dependent Life Insurance, Supplemental AD&D Insurance and Dependent AD&D Insurance coverage. | Same. |
| Long-Term Disability Insurance | The Company provides Long-Term Disability Insurance to continue a portion of your pay if you are unable to work due to a long-term illness or injury. | Same. |
| Long-Term Care Insurance | Long-Term Care Insurance is available for purchase for the employee, spouse, parents and/or parents-in-law. Courage provides benefits for those who can no longer live independently due to illness, injury, or the effects of aging. | Same. |
| Medical Plan* | Choice of HMO, PPO & Catastrophic plans. Same coverage as full-time with full-time contribution rates. | Same coverage with higher contribution rates. |
| Medical Spending Account (MSA) / Dependent Care | Spending accounts provide the option for employees to set aside pre-tax dollars to help cover eligible health expenses not covered by | Same |

| Benefit | Features of Part-time Reduced Schedule of 20 to 39 Hours/Week | Features of Part-Time Schedule of Less than 20 Hours/Week |
|--|--|--|
| Spending Account (DCSA) | Medical and Dental plans (in an MSA) and to cover dependent care expenses (in a DCSA). | |
| Employee Incentive Plan | Employees working at least 90 days during the calendar year are eligible to participate in the Employee Incentive Plan. | |
| Outstanding Performance Rewards, Corporate Awards | Employees are eligible for the Outstanding Performance Reward and the Duke Energy Corporate Awards as determined by normal nomination and/or approval processes. | Same. |
| Overtime* | Paid at 1.5 times regular pay rate for any time worked above 40 hours per week. | Same. |
| Personal Leaves of Absence | Employees are eligible for personal leaves of absence as approved by supervision | Same. |
| Residential Energy Improvement | Employees are eligible to participate in programs to help save money and improve the energy efficiency of their home. | Same. |
| Retirement Cash Balance Plan | This retirement plan is funded entirely by the company. Eligibility begins at age 18. Five years of vested service must be completed to be eligible to receive a benefit. While working, employees receive monthly pay credits equal to a percentage of their eligible pay. Until the benefit is paid to the employee, monthly interest credits are also paid. | Same. |
| Retirement Savings Plan | This plan allows employees to save up to 15% eligible pay, before tax and/or after-tax, through regular payroll deductions. Employees receive a company match up to a certain percentage on before-tax savings.. | Same. |
| Shift Differential | Employees receive shift differential for all regularly scheduled hours worked that begin between 2:00 PM & 5:59 PM or 6:00 PM & 2:00 AM. | Same. |
| Sick Allowance & Dependent Care* | Employees are eligible for accumulated sick-time pay due to illness, injuries or dependent care. Nonexempt employees receive 2 hours per bi-weekly pay period as long as 75% of the scheduled hours are paid. | Same.. |
| Vacation* | Employees become eligible for paid vacation time following 6 months of continuous employment. Part time employees earned | Same. |

| Benefit | Features of Part-time Reduced Schedule of 20 to 39 Hours/Week | Features of Part-Time Schedule of Less than 20 Hours/Week |
|------------------------------|---|--|
| | vacation is prorated based on work schedule on January 1 st of each year and/or when returning to full-time employment | |
| Vacation Carry Over | Up to 80 hours per year can be carried over to the following year. | Same. |
| Worker's Compensation | Employees out of work due to a work related injury receive a worker's compensation subsidy. | Same |

* Part-time benefits are different than full-time benefits.