

**UC1- Company Counter Offer
2/12/2020**

TERM OF AGREEMENT

- Three-year term, beginning December 2, 2019 and ending 11:59 pm November 13, 2022.

GENERAL WAGE INCREASE (GWI)

- Effective ~~the first pay period post ratification~~ December 2, 2019: 3.0%
- Effective November 30, 2020: 3.0%
- Effective November 29, 2021: 3.0%

~~The classification of Dispatcher in the Energy Control Center Department is excluded from the overall GWI. The wage rates for ECC Dispatchers shall be increased as follows:~~

- ~~• Effective the first pay period post ratification: 1.5% plus a 1.5% lump sum payment~~
- ~~• Effective November 30, 2020: 1.5% plus a 1.5% lump sum payment~~
- ~~• Effective November 29, 2021: 1.5% plus a 1.5% lump sum payment.~~
- ~~• The above lump sum payments shall be calculated as 1.5% of the current wage rate times 2080 hours and shall be payable within two pay periods of the ratification of the 2019 MOA and each subsequent contract year.~~

In addition, the Company proposes to increase the wage rates listed in Exhibit "A" for the following journeymen classifications prior to the General Wage Increase (GWI) for each year as follows:

- \$1.00 per hour increase ~~the first pay period post ratification~~ December 2, 2019
- \$.50 per hour increase effective November 30, 2020
- \$.50 per hour increase effective November 29, 2021
 - Line Technician in Distribution and Transmission (including SL, NT and TTC)
 - Trouble Technician
 - Network Specialist
 - Substation Electrician (both construction and maintenance)
 - Substation Operator
 - System Protection and Control Technician

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- System Protection and Control Technician – SCADA
- Working Foreperson in the Line Department and Substation Construction and Maintenance Departments
- Senior Working Foreperson – Substation Const. and Maint. Departments

HARD-TO-FILL LOCATION BONUS

The Company proposes to pay a hard-to-fill location bonus to those employees in the Line Department in Distribution holding Journeyman Line Technician and Trouble Technician positions at St. Petersburg, Walsingham and Buena Vista Operations Centers. Employees will receive a bonus of \$2080.00, after the employee has worked twelve (12) continuous months at that location as a Journeyman. Employees will continue to receive the bonus for each consecutive twelve (12) month period thereafter as long as the employee remains in the position at that location for the continuous twelve (12) months. Apprentices who bid to Line Technician positions at the above locations can utilize prior continuous time as an Apprentice at the same location in order to qualify for the incentive. Management will pay the bonus within two pay periods of the employee meeting the above qualifications. Employees currently employed at these locations will receive their bonus after 12 months of continuous employment after the date of ratification.

REMAINING PROPOSALS

- M-18 Revised – Per Diem **or actual expenses at the employee's option.**
- CC1 to M-21 – Temp Wages in Production **Company to withdraw M21**
- M-39 – Disposition of MOUs (parties agree to meet post ratification to determine final locations for each document)
- All proposals Tentatively Agreed to are agreed to
- All proposals not Tentatively Agreed to are withdrawn
- All proposals previously withdrawn remain withdrawn

Response to Union Proposals on 2/4/2020

- Call out credit for pre-arranged overtime in Distribution – The Company agrees to continue for the term of the 2019 – 2022 MOA, the provisions from the Modifications to Call Out Credit MOU dated 12/7/16. In exchange, the Company withdraws its tentative

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agreement on UP-14. The Call Out Burden Relief MOU shall be **continued for the duration of the MOA.** ~~revised so that it will become effective only for classifications in yards where staffing levels for those classifications fall below 50%. Once staffing levels for those classifications at those yards return to a level at or above 50%, the weekends off the call out list will stop.~~

- **UC3 to CC2 to Revised M-7 – The Company does not agree to the change proposed by the Union.** The Company proposes to capture the practice as a note to the MOC as follows:

NOTE: Shift employees assigned to maintenance shall observe the holiday in accordance with Article IV, Section 1(C)(1). Such employees may observe the holiday on the same day as the maintenance employees if mutually agreeable between management and the employee.

- UC3 to CC2 to UP-56 – The Company agrees to include employees in the ECC Department in the On-system Hurricane pay provisions.
- **UC1 to Revised M-33 – The Company rejects the Union’s proposed changes. The Company proposes the following be added to M-33**
 - Employees assigned to the System Maintenance Crew (SMC) will have a one-time opportunity to elect to enter the GT Development Program. Employees who opt in will be reclassified to a GT-Trainee classification. Management will **make an effort to** offer these employees training in accordance with the Development Program provisions. However, based on the nature of the traveling crew positions, it is understood that training opportunities will be offered at the sole discretion of management, as time and work permits, and that the normal job duties of the SMC employees will continue to be the priority.
 - **Current CTT’s at Bartow Plant will remain CTT’s and continue to progress as such. Any vacancy at Bartow Plant may be reclassified to CCO at Management’s option.**
 - **Employees at the Bartow Plant will remain on the 1,2,1,2 overtime, double-time schedule.**
 - **Chief/Master transition plan. Once 50% of Operations employees, at that location, that have opted into the GO development program become qualified, the Chief upgrade requirement will end, however, management will retain the right to upgrade by seniority as needed. Once 50% of Maintenance employees, at that location, that have opted into the GT development program become qualified to a GT2 level, the Chief/Master**

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upgrade requirement will end, however, management will retain the right to upgrade by seniority as needed.

- Employees at Anclote and Crystal River that opt into the training will be reclassified as NS, however, those that held SM classifications will have their wage rate grandfathered until their training wage rate catches up.
- **UC3 to CC2 to 2nd Revised M-9 – The Company rejects the Union’s counter proposal and proposes the following two changes:**

Revise Article VI, Section 2(B)(6)(a) as follows:

- Resource Week refers to the week(s) within a shift rotation when shift employees are not scheduled to the core shift weeks. A schedule for Resource Week(s) consisting of either five (5) consecutive eight (8) hour days or four (4) consecutive ten (10) hour days, at Management’s option, per workweek, between the hours of 6:00 a.m. and 10:00 p.m., ~~exclusive~~ inclusive of mealtime, will be included on the annual shift rotation calendar. When a Shift employee is working in the maintenance shop or at any other location, they will be notified of their assignment by the Wednesday prior, and shall work the same schedule (including the observance of a mealtime) as the employees in that shop or location.
- ~~Note to MOC: During the term of the 2019 MOA, e~~Employees in the DCC working the resource weeks may only be rescheduled to the night shift (6pm – 6am) on a voluntary basis. They may be rescheduled to the day shift (6am – 6pm), as long as that reschedule does not include a previously scheduled day off. Schedule changes including a previously scheduled day off may be made on a voluntary basis. Start times during resource week shifts may be changed in accordance with Article VI, Section 4(A)(3).
- **UC-2 to Revised M-37 – The Company rejects the Union’s proposed changes. The Company’s wage offer stands as written above.**
- **UC-1 to CC1 to UP-40 – The Company rejects the Union’s proposal to increase the Company match in the 401(k).**
- **The Company proposes to revise Article VIII as follows:**
- Employees who are members of the Union's committees will be allowed time off to attend meetings with Company officials. They shall give their respective supervisors

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three (3) days' notice of their desire to attend such meetings. The number of members of the Union to attend such meetings on Company time shall be limited to the number reasonably necessary to attend to the business at hand but in no event more than five (5). However, at first step grievance meetings, the Company will pay for no more than three (3) Bargaining Unit members to attend, including a single grievant, and two members of the Local Union Grievance Committee. As to second step grievance meetings, the Company will pay for no more than five (5) System Committee members plus grievant(s) to attend. Members of the Union's System Committee or their designee shall be afforded two and one-half (2 ½) business days per month on Company time to prepare for all second step grievance meetings. Individual grievants will not be compensated for attending these second step preparation meetings. Members of the Union's System Committee shall be scheduled on the day shift (that is, between the hours of 7:00 a.m. and 6:00 p.m., Monday through Friday) for the second step preparation time and to attend second step grievance meetings. For Policy grievances, the Company will pay for up to five (5) members of the Union System Committee to attend. The Company shall pay such employees at their regular hourly rates for reasonable time lost from their regularly scheduled work while actually attending such meetings. In no event shall this time allowance be more than eight (8) ten (10), or twelve (12) hours (depending on the schedule of the employee) in any one day or more than forty (40) hours in any one workweek. Members of the union's negotiating committee shall be scheduled on the day shift (that is, between the hours of 7:00 a.m. and 6:00 p.m., Monday through Friday) during contract negotiations. **The Company shall pay such employees at their regular hourly base rates for reasonable time lost from their regularly scheduled work during negotiations. In no event shall this time allowance include any overtime, premiums, differentials or other compensation.** The provisions of this paragraph shall not apply during arbitration proceedings.

~~The Company proposes to withdraw the TA on M-35 and proposes the following:~~

Health and Welfare Benefits – Active Benefits

Medical, Dental, Vision, Long Term Disability (LTD), Life Insurance, Accidental Death & Dismemberment (AD&D) Insurance, Business Travel Accident (BTA) Insurance, Health Care and Dependent Care Spending Accounts and Employee Assistance Program (EAP)

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~~**Come-Along Provision** During the period beginning January 1, 2021 and ending December 31, 2023, bargaining unit employees represented by IBEW SCU-8 (“Bargaining Unit Employees”) will be eligible to participate in any medical, dental, vision, LTD, life insurance, AD&D insurance, BTA insurance, health care and dependent care spending account, health savings account (“HSA”), EAP and other health and welfare benefit plans that the Company maintains and/or implements for the non-represented employee population on the same basis, at the same benefit levels and costs and with the same plan design structure as for the non-represented employees. For example, for 2021, Bargaining Unit Employees enrolled in the Health Savings Plan 1 or the Health Savings Plan 2 medical plan option will be eligible for (1) the same HSA matching contributions as are provided to non-represented employees (which, in 2020, were up to \$600 if enrolled in individual only coverage and up to \$1,200 if enrolled in family coverage, as compared to the current HSA matching contributions provided to Bargaining Unit Employees in 2020 of up to \$500 if enrolled in individual only coverage and up to \$1,000 if enrolled in family coverage), on the same terms and conditions as such HSA matching contributions are provided to non-represented employees and (2) the same HSA seed contribution as is provided to non-represented employees, if any, on the same terms and conditions as such HSA seed contribution, if any, is provided to non-represented employees. During the period beginning January 1, 2021 and ending December 31, 2023, the Company has the right to amend or modify these plans and/or to change the employee costs for these plans at any time in its sole discretion, provided that any such changes also apply to the non-represented employee population.~~

~~The complete provisions of the Company’s health and welfare plans are set forth in the summary plan descriptions (“SPDs”) for those plans and any related summaries of material modifications (“SMMs”), which are made available to all employees. In the event of a conflict between a communication and the governing SPD and/or SMM, the SPD and/or SMM will control.~~

~~The Company will provide the Union with notice of any changes to the above-described plans at an Annual Benefits Review meeting prior to open enrollment each year.~~

Retirement Benefits

The Company may in its discretion merge the Retirement Plan for Bargaining Unit Employees of Florida Progress Corporation (“Florida Bargaining Plan”) into the Duke Energy Retirement Cash Balance Plan. Any such merger will not reduce participants’ accrued benefits, and changes to such plan will not be inconsistent with this Memorandum of Changes.

~~During the period beginning January 1, 2021 and ending December 31, 2023, the following shall apply:~~

~~(A) **Retirement Enhancement Provision** Eligible compensation for the cash balance formula under the Florida Bargaining Plan shall be the same as for non-represented~~

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~~employees of Duke Energy under the Duke Energy Retirement Cash Balance Plan, as in effect on January 1, 2020.~~

~~(B) Retirement Enhancement Provision Eligible earnings for purposes of Employer Retirement Contributions/before-tax/Roth/after-tax contributions of Bargaining Unit Employees under the Duke Energy Retirement Savings Plan (“RSP”) shall be the same as for non-represented employees of Duke Energy under the RSP, as in effect on January 1, 2020.~~

~~The complete provisions of the Company's retirement plans are set forth in the plan documents, which may be amended to make administrative changes, legally-required changes and/or technical changes that do not reduce the benefits formula. In the event of a conflict between any other communication and the plan documents themselves, the plan documents control.~~

Special Provision

~~Unless both parties specifically agree otherwise, starting on January 1, 2024, (i) eligible compensation for the cash balance formula under the Florida Bargaining Plan will be calculated in the same manner as it was calculated under the Florida Bargaining Plan immediately prior to January 1, 2021, (ii) eligible earnings for purposes of Employer Retirement Contributions/before-tax/Roth/after-tax contributions of Bargaining Unit Employees under the RSP will be calculated in the same manner as it was calculated under the RSP immediately prior to January 1, 2021, and (iii) the Come-Along Provision and Retirement Enhancement Provisions indicated above will no longer apply.~~