

CASE: UG 388
WITNESS: HEATHER COHEN

**PUBLIC UTILITY COMMISSION
OF
OREGON**

STAFF EXHIBIT 404

**Exhibits in Support
Of Opening Testimony**

April 17, 2020



Rates & Regulatory Affairs
2020 Oregon General Rate Case
UG 388
Data Request Response

Request No.: UG 388 SDR 93

For the Test Year, please provide the breakout between O&M and rate base for all labor expense expressed as percentages. If applicable, please also provide the breakout for all labor expense between Total Company and Oregon expressed as a percentage.

Response:

Test Year labor expenses expressed as percentages:

O&M 63.4%

Capital 36.6%

Oregon Test Year labor expense represents 89.3% of Total Company labor expense.

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April 17, 2020

Collective Bargaining Agreement

A vested interest in a successful future.



Effective: December 1, 2019 — May 31, 2024

**2019 Collective Bargaining Agreement
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COLLECTIVE BARGAINING AGREEMENT

THIS COLLECTIVE BARGAINING AGREEMENT, hereinafter called "Agreement," is entered into on December 1, 2019, between NORTHWEST NATURAL GAS COMPANY, a corporation, its successors or assigns, hereinafter called "the Company" or "the Employer," and OFFICE AND PROFESSIONAL EMPLOYEES INTERNATIONAL UNION, LOCAL 11, AFL-CIO, hereinafter called "the Union," collectively referred to as "the parties," to promote a balance between the needs of the employees and those of the Employer while fostering an environment of mutual respect and cooperation.

COLLABORATIVE MISSION STATEMENT

The Union and the Company will work together to:

- Achieve collaborative and transparent relationships at all levels of the organization;
- Resolve concerns at the lowest level possible;
- Foster an environment in which employees are valued and supported in their development, engagement and success; and
- Champion NW Natural's core values and continued success.

ARTICLE 1

GUARANTEES AND FLEXIBILITY

Section 1.1 Introduction

To support our ability to acquire and serve customers, and to outperform our competitors, thereby promoting employment security and enhancing job opportunities, the parties share responsibility for developing and rewarding a flexible and skilled work force. To successfully compete requires the ability to quickly adjust our products, services and processes.

Section 1.2 Flexibility

The parties agree that during the term of this Agreement, the Company has the flexibility to redesign and change its business operations, the work and the workforce. In exchange, the Company agrees that certain employees shall have Employment Security and Pay Guarantees, as defined in Section 1.4 and Section 1.5 to this Article.

Section 1.3 Involvement

It is the Company's right and responsibility to make business decisions, including such matters as redesigns, changes in business operations, the work and workforce. The Company continues to value input from our employees and the Union, which we believe contributes to productivity, satisfaction, engagement, and success.

- 1.3.1 The Union and the Company agree to work collaboratively on those items that are mandatory subjects under the law and on those items identified by the Company for Union involvement which the law would allow an Employer to change unilaterally.
- 1.3.2 The Company, Union and employee involvement may include, as examples:
 - Representation through Union Representatives, Stewards, Chief Stewards, and Union approved Subject Matter Experts,
 - Feedback on proposals, and
 - Participation in, and use of, Issue Resolution process and the Labor/Management Committee.
- 1.3.3 The Company will, not later than the first quarter of each year meet with the Union Representative to review the number of contractor personnel working, the type of work performed, and the current and projected workload to discuss the feasibility of increasing the regular work force or using overtime when practical and economical as an alternative.

Section 1.4 Employment Security

- 1.4.1 The parties agree that during the term of this Agreement there will be no layoff of any regular employee whose current period of employment was on or before November 30, 2018. Probationary and Term Employees are not eligible for employment security.
- 1.4.2 Employees without employment security are subject to layoff for any reason. However, the Company will not contract work to others that would cause employees with employment security to be laid off.
- 1.4.3 The Company agrees to meet with the Union if it is considering laying off bargaining unit employees for any reason such as new technologies, new processes, redesign, elimination or sale of a business line, regulatory or legislative changes, or other factors outside of the Company's control.

Section 1.5 Pay Guarantee

Pay for regular employees in jobs that are affected by work redesign, regional lack of work, or certain disability situations, will be guaranteed at no less than their current rate of pay, as provided for in Section 11.4 within this Agreement.

ARTICLE 2 GENERAL PROVISIONS

Section 2.1 Application and Coverage

2.1.1 Definition of Bargaining Unit

- 2.1.1.1 This Agreement applies to and covers individuals who are employed in the jobs shown in the Job Titles by Group list of this Agreement as to areas and properties now served or owned by the Company. The terms of this Agreement do not extend to any NW Natural affiliate.
- 2.1.1.2 It is not the intent to have Supervisors perform the job duties of bargaining unit employees except in circumstances such as training, testing, inspection(s)/QA, a threat to public safety or emergency (e.g., inclement weather, volcanic eruption, earthquake, hazardous material release, or other natural or man-made disaster or employee absenteeism; excluding scheduled PTO), or in occasional circumstances where needed to support the continuity of local business operations, a task, or a job.
- 2.1.1.3 The Union and the Company agree to a standard process by which new jobs will be evaluated for inclusion in the bargaining unit.

- 2.1.1.3.1 This process applies to newly created jobs that do not exist at the Company as of December 1, 2019. This does not apply to the creation of additional numbers of existing jobs (or positions).

When the Company determines there is a need to add new jobs, it will consider the definitions described in the National Labor Relations Act (NLRA) found on the website www.nlr.gov.

- 2.1.1.3.2 New jobs at these levels are excluded from possible inclusion in the Bargaining Unit: Executives, Directors, Managers, and Supervisors with direct reports as well as jobs that require advanced formal education (e.g., Engineers, Financial Analysts, Attorneys, Human Resource Professionals). New jobs involving a high level of confidentiality will be excluded from consideration. Company-sensitive strategic, financial, and working with private individual employee data are examples of types of confidentiality. Other types of confidentiality might also be identified.

- 2.1.1.3.3 The Company will meet with the Union to review its analysis of the new jobs and to obtain the Union's input.

However, it is ultimately the Company who will make the decision as to whether the new jobs should be included in the bargaining unit and will inform the Union of the final decision. If the Union disagrees with the Company's decision, they may pursue any avenue already available.

2.1.2 **Employee and Other Worker Definitions**

2.1.2.1 **Employee**

An employee is a common-law employee of NW Natural whose job is within the bargaining unit as defined in Section 2.1.1 to this Article.

2.1.2.2 **Regular Employee**

A regular employee is an employee who is employed by NW Natural to work on a full or part-time basis.

- 2.1.2.2.1 A Full-Time regular employee is a regular employee who is employed by NW Natural to work an average of forty (40) or more hours per work week.

- 2.1.2.2.2 A Part-Time regular employee is a regular employee who is employed by NW Natural to fill a continuing work requirement that averages less than forty (40) hours per work week.

2.1.2.2.3 A Job-Share employee is a part-time regular employee who is employed by NW Natural to share the responsibilities of one (1) full-time position with one (1) other job-share employee.

2.1.2.2.3.1 The incumbent in a job-share position will have a share of a full-time position determined by Management to be appropriate for a job-share arrangement.

2.1.2.2.3.2 Both job-share employees must meet the bidding and performance qualifications for the shared position.

2.1.2.2.3.3 Work schedules will be agreed to between the job-share employees and will be subject to approval by the workgroup Supervisor.

2.1.2.2.3.4 When a job-share vacancy occurs, the position will be first posted as a job-share arrangement. If the job-share vacancy cannot be filled from the posting, then the remaining incumbent will be offered a full-time position. If that is refused, a full-time position will be posted. The remaining incumbent will then be placed into redeployment.

2.1.2.3 Probationary Employee

A Probationary Employee is a newly hired or rehired employee in his or her first year of employment (three hundred and sixty-five [365] calendar days) with NW Natural. Probationary employees who are regular employees retain all rights and benefits of regular employees under the Collective Bargaining Agreement; except as limited in Article 4.3.2 and Article 20.1 within this Agreement.

Probationary employees who are term employees retain only the rights and benefits provided to term employees.

2.1.2.3.1 If a probationary employee uses protected leave for thirty (30) calendar days or more, the Company may exercise its sole discretion to extend the employee's probationary period by the same number of calendar days.

2.1.2.4 Term Employee

A Term Employee is an employee engaged for a limited duration to complete a special project as specifically defined in his or her Term Employment Agreement. Term employees have only those benefits and rights expressly defined in their Term Employment Agreement.

2.1.2.4.1 The Company will not hire term employees for the purpose of replacing or restricting the hiring of regular employees for ongoing work. The Company will use its best efforts to ensure that term

positions do not limit the advancement opportunities of regular employees. Unless mutually agreed by the LMC Co-Chairs, the duration of a term position shall not exceed twelve (12) months.

- 2.1.2.4.2 Term employees do not have regular employee bidding rights. When seeking a regular position, term employees will be considered as external applicants and will be required to complete the full external bargaining unit selection process even if they are seeking a position involving the same type of work as that done while a term employee.
- 2.1.2.4.3 Term employees shall be provided the benefits of regular employees only as defined in the Term Employee Agreement.

2.1.2.5 **Temporary Worker**

A temporary worker is an external agency worker engaged for an assignment lasting for ninety (90) or fewer calendar days. Temporary workers are not employees of the Company and do not have Union membership rights or employee benefits. Any extension of a temporary worker on the same assignment beyond ninety (90) calendar days requires the mutual agreement of the Union and the Company. The Company may not rotate temporary employees into the position or assignment where there is a need to create a regular position and hire a regular employee.

- 2.1.2.5.1 Any person covered by the Agreement as a temporary worker must obtain a working permit from the Union after each thirty (30) days worked.

2.1.3 **Recognition**

The Company recognizes the Union as the exclusive bargaining agent for the employees covered by this Agreement.

2.1.4 **Union Membership Requirements**

- 2.1.4.1 It shall be a condition of employment that all employees covered by this document shall pay dues to OPEIU Local 11, and all new employees shall, on the last calendar day of the month following the beginning of such employment, begin payment of dues and such initiation fee as is customary to the Union.
- 2.1.4.2 Upon receipt of a written request signed by an employee, the Company will deduct and remit to the Union dues and other fees from the pay of the employee once in each month and an accounting for such deductions. Such form will be provided by the Union.

- 2.1.4.3 In case any Employee shall fail to tender the initiation fee and periodic dues uniformly required as a condition of acquiring or retaining membership (which payment of fees and dues shall be a condition of continued employment), the Union will notify the executives responsible for labor relations. A Company representative will then notify the delinquent employee in writing by the end of his or her next workday that, unless the executives responsible for labor relations receive from the Union office notification of the employee's tender of required dues, the employee will be terminated within the next ten (10) working days.

Section 2.2 Management Rights

The Company retains all rights to manage its business and direct its work force, except as those rights are limited by the express and specific language of this Agreement. The Company's rights expressly include, but are not limited to, the right and flexibility to redesign and change its business operations, the work and the workforce; determine the number and nature of positions needed across the Company and by work location; protect and preserve Company property; open and close work locations; contract work*; set schedules; assign and direct work; define work duties, including duties performed within any job description or job family; implement and utilize existing and new automation and technologies; and require that work be performed, including overtime.

*It is the intent and preference of the Company to use women and minority-owned contractors as well as utilize Union contractors whenever practical.

Job descriptions will be maintained for all jobs and positions in the bargaining unit. The Company has the right to change and create jobs and position descriptions.

Management's right to contract work out is further described in Article 1.4 within this Agreement. While it is management's right and responsibility to make business decisions, it is agreed that the Company will discuss the impact of the Company's decision on employees as described in Article 1.3 within this Agreement.

Section 2.3 No Strike, No Lockout

- 2.3.1 There shall be no strike, work stoppage, work slowdown, sympathy strike, lockout, or other interruption of work during the life of this Agreement. The Union shall take every reasonable means within its power to prevent such occurrences and induce employees engaged in or supporting any such prohibited conduct to cease such activity.
- 2.3.2 Any member of OPEIU Local 11 employed by the Company who recognizes a lawful primary picket line sanctioned by OPEIU Local 11 shall not be disciplined for recognizing that picket line, notwithstanding the provisions of Section 2.3.1 to this Article, provided that such employee shall have no greater rights under law or contract than does a striking employee.

Section 2.4 Union Member Time Off

- 2.4.1 The Union's Stewards shall be allowed time off with pay to investigate and present issues/grievances as necessary to fulfill their duty of fair representation. Whenever possible, such time shall be scheduled in advance with the Steward's Supervisor to minimize the impact on business operations.
- 2.4.2 Upon written request from the Union, members shall be given short-term leaves of absence to transact Union business and be paid by the Union. An employee covered by this Agreement who is elected, appointed or hired to an office in the Union requiring a long-term leave of absence from the Company, shall, upon two (2) weeks' written notice, be granted a voluntary leave of absence without pay not to exceed two (2) years.

Section 2.5 Compliance with Laws Governing the Workplace

- 2.5.1 NW Natural is an Equal Employment Opportunity Employer. The Company prohibits discrimination, harassment or retaliation on the basis of race, age, color, religion, gender, national origin, disability, marital status, sexual orientation, gender identity, eligible veteran status, or any other status or characteristic protected by applicable law. The Union shares the Company's commitment to maintaining a business environment free from discrimination, harassment or retaliation and supports business and workplace decisions promoting diversity.
 - 2.5.1.1 The Company agrees not to discriminate against any member of the Union for his or her activity on behalf of or because of membership in the Union.
- 2.5.2 The Company promptly investigates and addresses complaints regarding discrimination, retaliation or harassment. The Union recognizes the importance of the prompt and effective investigation and resolution of such complaints and will support and cooperate with the Company in the Company's investigation and resolution of such complaints.
- 2.5.3 The parties strive to comply with all applicable laws, rules and regulations governing the workplace, including but not limited to laws addressing discrimination in employment. To the extent such provisions include exceptions applicable to parties in a collectively bargained relationship, this provision does not address or waive the application of such exceptions.

Section 2.6 Modifications and Agreements

- 2.6.1 In the past, the Union and the Company have reserved the right to renegotiate the Agreement in the event there are external events or significant business changes which in the opinion of either party require

renegotiation of the Agreement. The Union and the Company continue to reserve this right during this Agreement. Amendments to this Agreement are made by a Memorandum of Agreement (MOA), must be in writing, agreed to, and signed by both parties.

- 2.6.1.1 Additionally, during the life of this Agreement, memorandums may be made, but the language described above does not have the intention of opening the entire Collective Bargaining Agreement for negotiations.
- 2.6.2 Interpretations regarding this Agreement are outlined and assigned at the direction of the LMC Co-Chairs. This assignment shall be given to bargaining unit members, management and subject matter experts; who shall review the contract language and clarify the intent within the Agreement; and which shall be submitted to the Company and Union Leadership for approval.
- 2.6.3 A Memorandum of Agreement is a written document signed by both the Union and the Company Executive Sponsors that states what the Union and the Company agree to when they reach agreement on something other than what is stated in the Agreement or related terms and conditions of employment of covered Employees. Memorandums of Agreement can remain in effect for the duration of the current Agreement or may be limited to a specific period of time, or incorporated into the Collective Bargaining Agreement upon opening for negotiations.
- 2.6.4 Except as expressly noted otherwise, this Agreement supersedes all prior Joint Accords, Joint Accord Guidelines (JAGs), Interpretations, Agreements, and other understandings between the parties. To the extent the terms of this Agreement were to conflict with any Interpretation, Agreement, or other understandings between the parties, the terms of this Agreement control.

Section 2.7 Labor/Management Committee

The Labor/Management Committee or LMC shall be organized for the purpose of addressing contract issues, clarifying the intent of the labor contract, monitoring for unanticipated consequences of the labor contract and anticipating change.

The Committee shall meet as mutually agreed and with an outlined agenda set by the LMC Co-Chairs.

The Committee may adopt bylaws governing the operations of meetings and the range of issues to be discussed. Decisions will be made by consensus.

The Committee shall consider only those contract issues which are mutually agreed upon or otherwise designated in the contract or the bylaws of the Committee.

ARTICLE 3 SENIORITY

Section 3.1 Company Seniority

- 3.1.1 Company seniority is established on the date of hire or rehire as a regular employee. When multiple regular employees are hired on the same day, Company seniority is then established based on name at date of hire in ascending alphabetical order of last name, then first name.
- 3.1.2 Any previous regular employee who was separated due to disability (industrial or non-industrial) and is subsequently awarded or placed in a position under Article 15 within this Agreement is eligible for adjusted seniority abridgement of Company seniority.

Section 3.2 Job Seniority

Job seniority is based on the days that a particular job is held. When multiple regular employees have the same number of days the job was held, the ranking will be based on Company seniority. Job seniority is only accumulated for jobs that are not in a Line of Progression.

Section 3.3 Line of Progression Seniority

Line of Progression seniority is based on the days that any job within that Line of Progression is held. When multiple regular employees have the same number of days in the Line of Progression, the ranking will be based on Company seniority. For jobs in a Line of Progression, job seniority is not accumulated.

Section 3.4 Term Employee Seniority

- 3.4.1 Term employees do not establish or accumulate any seniority while in term employment. For those term employees who are subsequently hired as regular employees with no break in service refer to Section 3.4.2 and Section 3.4.3 to this Article.
- 3.4.2 Job or Line of Progression seniority (as applicable) is calculated for positions involving the same type of work as that done as a term employee.
- 3.4.3 Company seniority is established on the date of hire as a term employee.

Section 3.5 Job and Line of Progression Seniority Accumulation

Accumulation of seniority is based on straight-time days of employment. For full-time regular employees, this is equivalent to five (5) eight-hour work days per seven (7) calendar days. For part-time regular employees, seniority will be accumulated at seventy-five percent (75%) of the rate of full-time regular employees.

Section 3.6 Seniority Retained

Seniority accumulated by a regular employee in a job or in a Line of Progression is retained. Any employee who leaves the bargaining unit or terminates employment will not retain any job, Line of Progression, or Company seniority. Any previous regular employee who was separated due to disability (industrial or non-industrial) and is subsequently awarded or placed in a position under Article 15 within this Agreement is eligible for adjusted seniority abridgement of Company seniority.

Section 3.7 Application of Seniority

For the application of seniority, refer to the appropriate articles within this Agreement

Section 3.8 Line of Progression and Job Seniority Calculations

The process of seniority calculations related to the definitions under this Agreement shall be as follows:

- 3.8.1 Name changes after the date of hire will not impact a regular employee's seniority ranking or subsequent seniority calculations.
- 3.8.2 Regular employees who receive a fourteen (14) calendar day award will earn seniority in both the new job and the old job until they start in the new job.
- 3.8.3 Regular employees who hold a Combo Position earn seniority in each distinct job that makes up their Combo Position.
- 3.8.4 Regular employees who fail to qualify for a job for reasons within their control (e.g., bidding to another job or failing to qualify) will not earn any seniority for that job.
- 3.8.5 Regular employees on a Long-Term Special Assignment (LTSA) earn seniority in the temporary job and continue to earn seniority in their regular job, with the exception of an LTSA in the same job or Line of Progression as their regular job.
- 3.8.6 Regular employees on a Short-Term Assignment only earn seniority in their regular job.
- 3.8.7 Regular employees on a Temporary Development Opportunity (TDO) continue to earn seniority in their regular job, and in accordance with Article 4.5.1 to this Agreement.
- 3.8.8 During a leave of absence, a regular employee will continue to earn seniority.
- 3.8.9 A temporary, unplanned reduction in work resulting in an interruption of paid status will not interrupt a regular employee's seniority calculation.

- 3.8.10 Regular employees in redeployment due to a work redesign or a bump will continue to earn seniority in the job from which they were redeployed until they secure a new regular job.
- 3.8.11 Positions that become obsolete or honored will be mapped to a current job or Line of Progression and applicable seniority credited to regular employees who hold those positions accordingly.
- 3.8.12 Regular employees who exercise a right to return will not earn seniority in either the new job or the old job to which they return for the duration of the transfer to the new job in accordance with Article 4 within this Agreement.

ARTICLE 4 SELECTION AND ASSIGNMENT

Section 4.1 General

This Article describes the selection and assignment provisions and processes for regular employees. Term employees are not eligible for these provisions or processes, as explained in the Term Employee Agreement.

Section 4.2 Defining the Work, Positions and Job Descriptions

Job and position descriptions will be maintained for all jobs and positions in the bargaining unit. The Company has the right to change and create job and position descriptions.

Section 4.3 Postings and Consideration of Bids

- 4.3.1 When a position posting has been approved, the position will be posted Company-wide for seven (7) calendar days. Open and available positions are posted on the Company's intranet. It is every employee's responsibility to check the intranet on a regular basis for postings upon which they may want to bid. The intranet shall be available to access at all resource centers or remotely on the Company device/application.
- 4.3.2 All applications received from regular employees* prior to the expiration of a position posting shall be considered in accordance with the Position Posting and Bidding Company policies, processes and procedures. Probationary employees will only be allowed to apply as external candidates.

*Regular employees already in the Construction line of progression at the resource center where a posted position in Construction is located are considered auto-bidders and automatically included in the bidding process. If an auto-bidder declines an award, must sign a Progression Waiver (existing rate retention will be forfeited). When bidding between Distribution and Transmission Construction, auto bidding does not apply.

- 4.3.2.1 The internal bidding and selection process applies for bidding and/or selection of non-probationary regular employees to fill regular, term and Long-Term Special Assignment (LTSA) bargaining unit positions that have been approved by the Company. This process applies to the bidding and selection process for non-probationary regular employees bidding on internal bargaining unit positions. This process is also used to determine if displaced employees meet bidding qualifications when being assigned/placed into a bargaining unit position through redeployment and/or when an employee is bumping into a position.
- 4.3.3 The Union and the Company agree to use and continue to refine the currently agreed to internal bidding and selection processes as outlined in the Internal Bidding and Selection Process Company policies, processes and procedures.
- 4.3.4 Employees who are off on Paid Time Off (PTO), Short-Term Disability, Long-Term Disability, Workers' Compensation, unpaid active status, or protected leave as defined under Federal, State or local law; or by Company policy for an entire posting period shall be eligible to submit a bid on any posted position within the seven (7) calendar days following the expiration of the posting period in accordance with the Position Bidding and Award Eligibility for Regular Employees Company policies, processes and procedures.

Section 4.4 Position Awards

- 4.4.1 Seniority and qualifications will be considerations in awarding a posted position. With agreement between the Union and the Company, certain positions will be awarded based on qualifications first and then seniority. Bidders will be considered for posted positions regardless of their currently assigned Company-based location except as provided for in Section 4.9 of this Article.
- 4.4.2 Position awards will be published within fourteen (14) calendar days of acceptance by the employee. Employees will be moved to the new position as soon as possible, usually within twenty-one (21) calendar days of accepting the award.
- 4.4.2.1 Extensions to the above timelines from twenty-two (22) calendar days up to a maximum of one hundred and twenty (120) calendar days may be made after discussion with the employee and upon mutual agreement between the releasing and receiving Supervisors.
- 4.4.2.2 Employees not in the new position after fourteen (14) calendar days from the position award will receive any applicable pay increases and begin accumulating either Job seniority or Line of Progression seniority as of the fourteenth (14th) calendar day from the employee's acceptance of the award.

4.4.3 The following are the principles that apply when awarding positions for: Open Jobs, Line of Progression Jobs, and Jobs involving Progression without Bidding (unless otherwise agreed that the position is selected on qualifications first and then seniority).

4.4.3.1 **Open Positions**

An open position is one that, if posted, all regular employees are eligible to bid. These positions do not include those within a Line of Progression or Progression without Bidding except at the entry level. Qualified bidders will be awarded positions based on seniority in the following order:

- Job seniority for the position posted for bid, then
- Company seniority.

4.4.3.2 **Line of Progression (LoP) Jobs**

A LoP is a sequence of specifically related positions that require successively higher skills to advance sequentially to the next higher position. The following are the currently recognized LoPs:

- Construction
- Customer Field Service

LoP positions may be added to, removed from, or changed with mutual agreement of management and the Union during the life of the contract.

Qualified bidders will be awarded positions based on seniority in the following order:

- Line of Progression seniority in the line of the position posted for bid, then
- Company seniority.

Advancing in a LoP requires that a regular employee meet all the qualifications, certifications, and training for the current level prior to being eligible to move into a vacant and available position at the next level. Regular employees in a LoP earn days toward rate retention when they work up.

4.4.3.3 **Qualification Based Progression**

Certain jobs are posted based on business need and awarded based on qualifications regardless of Company, Job, or Line of Progression seniority. Additional jobs/positions may be added to the qualifications based process by mutual agreement between management and the Union.

The parties agree that when filling vacancies or promotional opportunities, the goal is to encourage growth and opportunity for advancement from within and to hire the most qualified candidate for the position. When, in the judgment of the hiring manager and Human Resources Department, sufficient candidates who apply from within the Company are qualified, available and interested, the recruitment may be restricted to internal candidates.

The current jobs are:

- Accounting 4
- Customer Service 4
- Construction 4
- Customer Field Service 4
- Gas Storage 1
- General Services 4
- Transportation 3
- Transportation 4
- Welding & Fabrication 4
- Semi & Crane

4.4.3.4 Jobs Involving Progression without Bidding

Employees will progress based on meeting the qualifications and performance standards for the higher-level position. Positions may be added, removed or changed by mutual agreement between management and the Union. Progression may be limited by position availability. In this case, the most senior qualified person will progress, based on seniority in the following order:

- Job seniority in the lower position, then
- Company seniority.

The jobs involving Progression without Bidding are:

- Accounts Payable = Accounting 2 to 3
- Account Billing = Accounting 2 to 3
- Communications & Control Technician 1 to 2
- Customer Contact Center = Customer Service 2 to 3
- GIS = Graphics 1 to 2; 2 to 3
- Specialty Construction 1 to 2
- Storage plants = Gas Storage 1 to 2
- System Operations 1 to 2
- Technical Coordinator 2 to 3
- Transmission Maintenance 1 to 2
- Transportation 1 to 2

Some of the above workgroups have specific rules for progression without bidding. In the absence of such rules, the default criteria for progression will be the accumulation of working two hundred and sixty (260) days at the higher-level position with satisfactory performance and business need.

4.4.3.5 **Job Family**

A Job Family is a group of jobs that are related because of similar job content, skill requirements, and/or career paths.

4.4.3.6 **General Job Description Content**

Job descriptions shall include language pertaining to working down levels of the Job Family.

4.4.3.7 **General Task Bar**

A “general task bar” consists of one or more tasks that everyone in a Job Family at a higher level than the general task bar can be expected to perform with training as needed. Additional tasks could be introduced by the Company at various levels depending on business need. The General Task Bar tasks are maintained by the Company.

4.4.4 **Qualifying Standards**

An employee awarded a new position must satisfy the Performance Qualifying Standards during the established qualifying period per Article 5 within this Agreement.

Section 4.5 Right to Return to Former Position

4.5.1 Employees have sixty (60) calendar days after reporting to a new and different position to voluntarily return to their former position. This right provides a one-time ability to return for any reason. Any subsequent request to return to their former position within a rolling five (5) year period from the date of award must be mutually agreed upon by the Union and the Company.

An employee still retains the right to bid on any position posting at any time. The employee will not continue to accumulate Job or Line of Progression seniority while they are away from the former position.

4.5.2 Right to return to former position does not apply to situations where movement is to the same position at any location.

Section 4.6 Waivers

A waiver is a mechanism for an employee to voluntarily return to a former position or to forego advancement. In all cases of waiver, the employee will be paid the applicable rate for the position waiving into, and is waiving rate retention and all days currently earned towards rate retention.

In a Lack of Work situation, restrictions on returning to a waived position are removed. There are two (2) types of waivers: Progression (Advancement) Waivers and Position Waivers. The waiver definitions and processes are as described herein.

- 4.6.1 Progression (Advancement) Waiver – An employee elects to forego advancement (move up and/or work up). An employee who waives advancement is also waiving working up. When exercised, the employee waives the right to advance to a specific opening, but does not waive the right to advance should a subsequent posting/work-up opportunity occur. For convenience, this waiver is considered in effect until “pulled” by the employee (by notifying their Department and Human Resources in writing). For Progression Waivers related to a declined auto-bid award, there is a minimum of one (1) year term before the waiver can be pulled. There is no duration requirement for other Progression Waivers.
- 4.6.2 Position Waiver – An employee elects to vacate a position to return to a lower rated position at the same resource center for which they previously qualified. A Position Waiver has a minimum one (1) year term. After one (1) year, the waiver remains in effect until “pulled” by the employee (by notifying their Department and Human Resources in writing). Employees who wish to return to the waived position may bid (or progress in the case of Progression Without Bidding or Qualification Based Progression) to an opening of that position.

The Chief Steward and Manager for the requesting employee approve this waiver and shall meet to discuss.

Section 4.7 Workplace Location Exchange

Employees may request a workplace location exchange by completing a “Workplace Location Exchange Request” form. Human Resources will notify the Chief Stewards and the Union office of the finalized exchange including the nature of the exchange (lateral or non-lateral), qualifying periods, pay rates, and effective dates.

Section 4.8 Retention of Higher Rate

- 4.8.1 Jobs awarded based on qualifications are not eligible for rate retention.
- 4.8.2 When an employee in a Line of Progression position is working up a grade, the employee will be paid at the entry level rate for the first two hundred and

sixty (260) working days. Once an employee in a Line of Progression position has worked up a grade for two hundred and sixty (260) working days, the employee will continue to receive the higher rate of pay at the experienced level, until such employee leaves his or her position or signs a Progression Waiver.

- 4.8.3 When an employee with less seniority in a Line of Progression works up a grade ahead of a senior employee in the same Line of Progression at the same Company-based location, the most senior employee will also be paid entry level at the higher rate for the day, except when the less senior employee is working up into a qualifications-based job (e.g., Construction 4).
- 4.8.4 If a less senior employee at the same Company-based location reaches rate retention prior to a senior employee at the same Company-based location in the same Line of Progression because the senior employee was on a Short-Term Assignment, the senior employee will be designated as rate retained.
- 4.8.5 When working up into qualification-based jobs (e.g., Construction 4) only the employee working up is paid the higher rate for the day.

Section 4.9 Temporary Positions/Internal Assignment of Employees

4.9.1 Short-Term Assignment of Employees

- 4.9.1.1 Employees may be temporarily assigned for one hundred and eighty (180) calendar days or less per calendar year to a position for which they qualify or may be trained based on Company needs. Any individual employee assignment longer than one hundred and eighty (180) calendar days shall be by mutual agreement of the Union and the Company.

The Chief Stewards will be notified by management no later than the start of any Short-Term Assignment expected to last longer than seven (7) calendar days.

- 4.9.1.2 An employee who is assigned to perform a higher-grade position will be compensated at the higher of the employee's current or assigned rate for the hours worked at that rate up to four (4) hours of the day. An employee who works four (4) hours or more is paid for the full day at the higher rate.
- 4.9.1.3 Employees will continue to accumulate Job or Line of Progression seniority in their regular position during such assignments.
- 4.9.1.4 An employee returning from an authorized absence may be temporarily assigned to other work regardless of seniority.

4.9.2 **Long-Term Special Assignment**

A Long-Term Special Assignment (LTSA) is a posted special, voluntary work opportunity that is up to twelve (12) months in length. Requests for extensions beyond the initial term will be mutually reviewed and agreed upon by the Union and the Company. All LTSAs are subject to the following:

- 4.9.2.1 An LTSA is not a replacement for a vacant regular position. Recurring LTSAs will be reviewed by the Union and the Company to determine whether there is a need for a regular position. The term “voluntary,” as used here, means that either the employee or the Company may end the LTSA at any time for any reason.
- 4.9.2.2 Because an LTSA goes through the post, bid and award process, the pay rate for the LTSA will apply in all situations. If the LTSA is a lateral move, the employee will retain their current pay rate. An employee bidding from a higher paying position will not retain that higher pay rate while in the LTSA position; they will receive the experienced level of the lower position.
- 4.9.2.3 At the conclusion of the LTSA, the employee will return to their original position. While in the LTSA, the employee will be included in any work redesign, as it may occur, that might affect their regular position.
- 4.9.2.4 If there are no qualified bidders, the position will be temporarily assigned based on this Article.

4.9.3 **Assignment to Non-Bargaining Position**

An employee may be assigned to a non-bargaining position, either exempt or non-exempt; and in accordance with Section 4.5.1 to this Article. The Company’s non-bargaining unit processes apply with respect to the assignment; however, the employee will continue to retain Union membership status (including benefits) and pay Union dues. The Company will notify the Chief Stewards no later than the start of the non-bargaining assignment.

ARTICLE 5 PERFORMANCE QUALIFYING STANDARDS

Section 5.1 General

Employees must acquire and maintain Performance Qualifying Standards per these five (5) following processes:

- 5.1.1 Failure to Qualify During Qualifying Period
- 5.1.2 Failure to Maintain Performance Qualifying Standards

5.1.3 Field Operations Testing Failure to Qualify

5.1.4 Arc Welding Procedure to Recertify

5.1.5 Oxy-Acetylene Welding Procedure to Recertify

Section 5.2 Failure to Qualify During Qualifying Period

5.2.1 Application

The process outlined below applies when a regular employee is failing to meet performance-qualifying standards during the qualifying period for that position.

5.2.1.1 Employees may exercise their right to return per Article 4.5 within this Agreement.

5.2.1.2 Employees ineligible for a right to return may:

- Return to original position if previously qualified and position is still vacant
- Return to previous status when outside of a regular position (e.g., redeployment, leave of absence due to Failure to Maintain Performance Qualifying Standards). If original status was a leave of absence resulting from Failure to Maintain Performance Qualifying Standards or a third Testing Failure, employee's leave of absence will be restarted from the point at which it had been paused at the time of the employee's successful bid (See Failure to Maintain Performance Qualifying Standards and Field Operations Testing Failure to Qualify process within this Article).
- Return to the department if the position is not vacant and the department can absorb the employee, as determined by Management.

5.2.1.3 If no job is available, the employee will be placed in the redeployment process at the pay group and pay rate of the job in which the employee last qualified, or Pay Group O Experienced Pay Rate if never previously qualified, or Pay Group M Experienced Pay Rate if prior status was a third testing failure on a new task or content area and Paid Time Off (PTO) is exhausted (See Redeployment Process in Article 7.3 within this Agreement).

Section 5.3 Failure to Maintain Performance Qualifying Standards

5.3.1 Application

This process applies to regular employees who have successfully completed the qualifying period and who are subsequently unable to maintain performance qualifying standards for a position, which may include a loss of job skill(s) at any time.

For failure to qualify situations involving Operator Qualifications or welding, refer to the Field Operations Testing Failure to Qualify process within this Article, Arc Welding Procedure to Recertify within this Article, or the Oxy-Acetylene Welding Procedure to Recertify within this Article, as appropriate.

5.3.2 Process

After the employee has received coaching and direct performance feedback, which may include a Performance Development Plan (PDP), and still does not maintain performance qualifying standards, the following occurs:

5.3.2.1 A Failure to Maintain Performance Qualifying Standards Disciplinary Action Plan (DAP) will be utilized and will specify:

5.3.2.1.1 The changes that must occur for the employee to meet standards;

5.3.2.1.2 The time line for the employee to accomplish those changes. (The DAP should generally be no longer than the qualifying period for the employee's position. If the DAP is longer than the qualifying period for the employee's position, it must be approved by the LMC Co- Chairs. DAPs longer than one hundred and eighty (180) calendar days must be signed by the Manager and Union Representative.); and

5.3.2.1.3 Consequences if the employee does not meet the requirements of the DAP.

5.3.2.2 The employee may:

5.3.2.2.1 Unless restricted by a DAP or other disciplinary action, bid on any open positions (if any are available) for which they meet bidding qualifications; and/or

5.3.2.2.2 Apply for a position waiver in accordance with Article 4.6 within this Agreement.

5.3.3 If the employee does not successfully complete the DAP:

- 5.3.3.1 The employee will be placed on leave for a period equivalent to one (1) month per year of service during which time they may bid to an open posted position (other than the position from which they were disqualified) for which they meet bidding qualifications; and
- 5.3.3.2 The employee will use Paid Time Off (PTO) until PTO is exhausted; then the employee will be placed on leave without pay; and
- 5.3.3.3 If the employee's leave of absence extends beyond the period equivalent to one (1) month per year of service with the Company, the employee shall be terminated.

Section 5.4 Field Operations Testing Failure to Qualify

5.4.1 Application

This Section outlines the process to be followed when a field operations employee fails to pass required testing for their current job, including but not limited to testing related to Operator Qualifications (OQ).

5.4.1.1 This process covers:

- 5.4.1.1.1 The consequences after each failure of a required test;
- 5.4.1.1.2 The criteria that must be met before an employee can attempt to retest;
- 5.4.1.1.3 The time intervals between testing opportunities; and
- 5.4.1.1.4 The resources available to the employee.

5.4.1.2 This process does not apply to:

- 5.4.1.2.1 Testing that is part of initial position training (Refer to the Failure to Qualify During Qualifying Period process within this Article or department guidelines); or
- 5.4.1.2.2 Performance issues identified on the job (Refer to the Failure to Maintain Performance Qualifying Standards process within this Article or Failure to Qualify During Qualifying Period process within this Article, as appropriate); or
- 5.4.1.2.3 Weld testing (Refer to the Oxy-Acetylene Welding Procedure to Recertify or the Arc Welding Procedure to Recertify within this Article, as appropriate).

- 5.4.1.3 Certification testing provided by outside agencies may be covered by this Article as determined appropriate.
- 5.4.1.4 This process does not apply to or override any department-level guidelines or processes.
- 5.4.1.5 It is the employee's responsibility to actively participate in this process.

5.4.2 **Process**

At any point during this process, the regular employee has the option to do any of the following, if applicable:

- 5.4.2.1 Bid to an open position, if available, for which they meet bidding Qualifications unless otherwise specified in a DAP;
- 5.4.2.2 Apply for a Waiver per Article 4.6 within this Agreement, as available, or
- 5.4.2.3 Exercise their right to return to a former position per Article 4.5 within this Agreement.

5.4.3 **First Failure**

- 5.4.3.1 Employee is immediately restricted from performing the task or associated task(s) (e.g., tasks connected to a failed Abnormal Operating Condition [AOC]), unless directed by a qualified worker, as permitted and approved by management. If the employee will not be directed by a qualified worker, the employee will be assigned work that does not involve performing the associated task(s) for which they are now unqualified, if such work is available.
- 5.4.3.2 The employee will be provided focused training on the tasks or AOCs, which may include individual review, training, and/or time to practice or study as deemed appropriate by a training representative, with consideration of input from the employee. Training will be documented on the FTQ Training Documentation form.
- 5.4.3.3 On the day of first failure:
 - 5.4.3.3.1 Employee may be afforded additional time to prepare (e.g., receive training or study) for retesting, as necessary.
 - 5.4.3.3.2 Employee may choose to utilize PTO or leave without pay, as appropriate, for rest of shift. Such PTO will be approved without penalty.

- 5.4.3.4 The employee must be scheduled to retest at a minimum next shift and maximum of fourteen (14) calendar days, excluding scheduled PTO or approved leave. Within this timeframe and with regard to input from the employee, a training representative will schedule retesting. Any exceptions to minimum or maximum time to retest must be approved by the Training Manager or designee.

5.4.4 **Second Failure**

- 5.4.4.1 Employee restriction from performing the associated task(s) continues, unless directed by a qualified worker, as permitted and approved by management. If the employee will not be directed by a qualified worker, the employee will continue to be assigned work that does not involve performing the task(s) for which they are now unqualified, if such work is available.
- 5.4.4.2 Prior to retraining, the employee will have a meeting with their Supervisor and a representative from Human Resources (HR) to review this Article and discuss concerns and options.
- 5.4.4.3 The employee will be provided focused training on the tasks or AOCs, which may include individual review, training, and/or time to practice or study as deemed appropriate by a training representative, with consideration of input from the employee. The employee may request to waive the focused training session. Training will be documented on the FTQ Training Documentation form.
- 5.4.4.4 The employee must be scheduled to retest at a minimum seven (7) calendar days and maximum of thirty (30) calendar days, excluding scheduled PTO or approved leave. Within this timeframe and with regard to input from the employee, a training representative will schedule retesting. Any exceptions to minimum or maximum time to retest must be approved by the Training Manager or designee.

5.4.5 **Third Failure**

- 5.4.5.1 If the employee is in their qualifying period, see Failure to Qualify During Qualifying Period process within this Article. If the previous position held by the employee requires the same task, then the employee moves into redeployment.
- 5.4.5.2 If the employee is not in their qualifying period:
- 5.4.5.2.1 Following third failure of a required test for requalification (i.e., employee has previously passed testing and was “qualified”):

- 5.4.5.2.1.1 Employee will be placed on leave for a period equivalent to one (1) month per full year completed from date of hire, during which time they may bid to an open position (other than the position for which they were disqualified) for which they meet bidding qualifications.
 - 5.4.5.2.1.2 Employee will use all accrued and banked PTO until PTO is exhausted; then employee will continue on leave without pay.
 - 5.4.5.2.1.3 If the employee's leave of absence extends beyond the period equivalent to one (1) month per year of service with the Company, the employee shall be terminated.
- 5.4.5.2.2 Following third failure of a required test on a new task or content area introduced to an incumbent's position:
- 5.4.5.2.2.1 Employee will be placed on leave for a period equivalent to one (1) month per full year completed from date of hire, during which time they may bid to an open position (other than the position for which they were disqualified) for which they meet bidding qualifications.
 - 5.4.5.2.2.2 While on leave, the employee may be assigned to temporary work, as available. Assignments of temporary work will not exceed one (1) month per year of service up to a maximum of twelve (12) months from the date of the third (3rd) failure. Days assigned to temporary work do not extend the length of the leave of absence.
 - 5.4.5.2.2.3 Employee will use all accrued and banked PTO until PTO is exhausted; then the employee will continue on leave without pay.
 - 5.4.5.2.2.4 Once PTO is exhausted, the employee is removed from their current position and will be reclassified to Pay Group M, Experienced Pay Rate. Employee continues to accumulate only Company seniority.
 - 5.4.5.2.2.5 While performing temporary work, additional PTO will be accrued at Pay Group M. When temporary work is not available, the employee will use additional accrued PTO until PTO is exhausted; then the employee will be returned to leave without pay.
 - 5.4.5.2.2.6 Employee will not be eligible for preferential bidding, redeployment, or bumping as a result of this process.

5.4.5.2.2.7 If the employee's leave of absence extends beyond the period equivalent to one (1) month per year of service with the Company, the employee shall be terminated.

5.4.6 An employee who has successfully bid to another job or exercised the waiver option at any point during this process may reapply for the position (if available) after a period of one (1) year if the employee can demonstrate that a substantial change has occurred making it possible for the employee to qualify, based upon management's approval.

Section 5.5 Arc Welding Procedure to Recertify

5.5.1 Application

This procedure applies to all regular employees who are required to maintain Arc Welding qualifications. This procedure covers failure on any of the following Arc Welding tests:

- Requalification Testing
- Probable Cause Testing

It is the employee's responsibility to actively participate in this process.

5.5.2 First Failure

5.5.2.1 Employee is immediately restricted from performing the task.

5.5.2.2 Use standard Documented Verbal Warning.

5.5.2.3 No days toward experienced rate, if at entry rate.

5.5.2.4 Minimum of eight (8) hours of formal, paid, documented training is provided.

5.5.2.5 Minimum time to retest is second (2nd) business day after failure. Maximum time to retest is fourteen (14) calendar days after failure. Any exceptions to minimum or maximum time to retest must be approved by Management.

5.5.3 Second Failure

5.5.3.1 Restriction from performing the task continues.

5.5.3.2 Initiate "Failure to Maintain Performance Qualifying Standards" or "Failure to Qualify During Qualifying Period" process. Use standard DAP.

- 5.5.3.3 Employees at the experienced rate go back to Step 4 of the In-Training rate.
- 5.5.3.4 Minimum of eight (8) hours of formal, paid, documented training is provided.
- 5.5.3.5 Minimum time to retest is fourteen (14) calendar days after failure. Maximum time to retest is thirty (30) calendar days after failure. Any exceptions to minimum or maximum time to retest must be approved by Management.

5.5.4 **Third Failure**

- 5.5.4.1 Initiate “Failure to Maintain Performance Qualifying Standards” or “Failure to Qualify During Qualifying Period” processes within this Article.
- 5.5.4.2 Loss of position.
- 5.5.4.3 One (1) year minimum from loss of position to bid on open Arc Welding position.

Section 5.6 Oxy-Acetylene Welding Procedure to Recertify

5.6.1 **Application**

This procedure applies to all regular employees who are required to maintain an Oxy-Acetylene Weld qualification, including:

- Employees who hold a Construction 1 position, who hold oxy-acetylene weld qualifications;
- Employees who hold a Construction 2 position;
- Employees who hold a Construction 3 position for a minimum of one (1) year from position award; and
- Employees, as determined by business need.

Employees who voluntarily elect to maintain their Oxy-Acetylene Welding qualification and subsequently fail a test may opt out of the qualification process, and are not subject to this Article.

This procedure covers failure on any of the following Oxy-Acetylene Weld tests:

- Requalification Testing
- Random Testing

- Probable Cause Testing

Note: If this is third “first failure” in four consecutive tests, go directly to “second failure.”

It is the employee’s responsibility to actively participate in this process.

5.6.2 **First Failure**

- 5.6.2.1 Employee is immediately restricted from performing the task.
- 5.6.2.2 Use standard Oxy-Acetylene Welding Documented Verbal Warning.
- 5.6.2.3 No days toward rate retention.
- 5.6.2.4 An employee (Construction 2 or higher) at experienced rate will go back to entry rate in the same grade.
- 5.6.2.5 An employee (Construction 2 or higher) at entry rate will go back to experienced rate in the next lower grade in the Line of Progression.
- 5.6.2.6 Construction 1 or 2 cannot work up in the Line of Progression.
- 5.6.2.7 Construction 3 or 4 at experienced rate can continue to crew lead.
- 5.6.2.8 Two (2) hours of formal, paid, documented training is provided.
- 5.6.2.9 Minimum time to retest is fourteen (14) calendar days (can be waived for the first time ever failure since January 21, 2005). Maximum time to retest is thirty (30) calendar days. Any exceptions to minimum or maximum time to retest must be approved by Management.

5.6.3 **Second Failure**

- 5.6.3.1 Restriction from performing the task continues.
- 5.6.3.2 Initiate “Failure to Maintain Performance Qualifying Standards” or “Failure to Qualify During Qualifying Period” process within this Article. Use standard Oxy-Acetylene Welding DAP.
- 5.6.3.3 Employees (Construction 2 or higher) will go back to experienced Construction 1 rate.
- 5.6.3.4 Construction 1 or 2 cannot work up in the Line of Progression.
- 5.6.3.5 Construction 3 and 4 at experienced pay rate can continue to crew lead and will be paid at entry Construction 3 or 4 rate when crew leading, as

appropriate. When not crew leading, they will be paid at experienced Construction 1 pay rate.

5.6.3.6 Two (2) hours of formal, paid, documented training is provided.

5.6.3.7 Minimum time to retest is thirty (30) calendar days. Maximum time to retest is sixty (60) calendar days. Any exceptions to minimum or maximum time to retest must be approved by Management.

5.6.4 **Third Failure**

5.6.4.1 Initiate “Failure to Maintain Performance Qualifying Standards” or “Failure to Qualify During Qualifying Period” processes within this Article.

5.6.4.2 Loss of position (Sign position waiver in accordance with Article 4.6 within this Agreement).

5.6.4.3 Loss of rate retention and qualification.

5.6.4.4 Must bid to open Construction 1 position (or other position) where available.

5.6.4.5 If no Construction 1 position is available or employee chooses not to bid, employee may be assigned to varying locations based on business need.

5.6.4.6 Two (2) hours of formal, paid, documented training is provided.

5.6.4.7 One (1) year minimum from loss of position to retest. The opportunity to retest will require Management approval and will be based on business need.

5.6.4.8 If employee successfully retests after one (1) year, employee can start working up as Construction 2, as needed, and can bid on Construction 2 position where available.

ARTICLE 6 WORKING CONDITIONS

Section 6.1 Schedules and Overtime

This Article recognizes the fact that the Company must provide uninterrupted continuous service to our customers, twenty-four (24) hours per day, seven (7) days per week, as a matter of public safety and health. In accordance with Article 2 within this Agreement, the Company retains the right to manage the business and direct the work and workforce, including the right to determine schedules and require overtime, subject to the rules listed below.

6.1.1 **General Definitions and Rules**

- 6.1.1.1 Workweek: For the purposes of calculating overtime and establishing schedules, the seven (7) day workweek for all employees begins at 12:01 a.m. on Monday.
- 6.1.1.2 Work Schedule: A regular full-time schedule will typically be five (5) workdays of eight (8) hours duration; including two (2) consecutive days off in most instances. Alternate schedules may be required by Management based on business needs. Work schedules define the workdays and shifts and shall be documented by each department and/or workgroup as appropriate.
- 6.1.1.3 Workday: Each employee's workday begins at the start of his or her shift and continues for twenty-four (24) hours or until the beginning of his or her next shift, whichever is sooner. For payroll purposes, all hours worked on a workday will be paid based on the start of the shift.
- 6.1.1.4 Shift: An employee's shift is defined as scheduled working hours within a workday.
- 6.1.1.5 Shift types are defined based on the scheduled start time as follows:

Shift Type	Start Time
Day Shift	06:00 a.m. – 9:59 a.m.
Swing Shift	10:00 a.m. – 5:59 p.m.
Graveyard Shift	06:00 p.m. – 5:59 a.m.

- 6.1.1.6 The Company and the Union agree that there shall be a minimum of eight (8) hour rest period between scheduled shifts.
- 6.1.1.7 An employee who reports for work on a regularly scheduled workday and is then sent home for lack of work shall be paid for his or her scheduled shift at the rate such employee would have received.
- 6.1.1.8 Unless otherwise stated within the Agreement, overtime is calculated on actual hours worked, not hours paid. The calculation of time worked for overtime purposes shall include paid leave, holidays, floating holidays, and PTO used.
- 6.1.1.9 If pay is due to an employee under two (2) or more provisions under this Article, only the highest payment required under any provision of this Article shall be paid. This should only be used when a situation is ambiguous and all Articles within the Agreement have been reviewed.

6.1.2 **Flexible Schedules/Work Arrangements**

- 6.1.2.1 An employee may work a flexible work schedule (e.g., four [4] ten-hour days), flex start and end times of his or her shift, and/or make up lost time in his or her work schedule within the same workweek if mutually agreed upon by the employee and Management. Not every Flexible Schedule/Work Arrangement option will be available for every work group, position, or employee and approval of a flexible schedule/work arrangement will be at the Manager's discretion. Company policies and department guidelines will define specific and/or additional requirements for a flexible schedule/work arrangement.
- 6.1.2.2 If an employee requests a temporary flexible work schedule, this temporary schedule is not considered a regularly scheduled workweek and Saturday/Sunday and Shift Work premiums will not apply for the shift(s) impacted by the temporary schedule change.
- 6.1.2.3 Telework. An employee may request to telework, which establishes a reporting location off Company property, typically the employee's residence. An employee who is teleworking must log in to the appropriate Company software systems and be ready to work at the employee's scheduled start time. Under this method, the telework location is not considered a fixed official work location/station. Not every telework arrangement option will be available for every work group, position, or employee, and approval of teleworking will be at the Manager's discretion. Company policies and department guidelines will define specific and/or additional requirements for teleworking.

6.1.3 **Unplanned Schedule and Shift Changes**

6.1.3.1 **Unplanned Schedule Changes**

Changes in an employee's scheduled workdays affecting the employee's scheduled days off made with less than forty-eight (48) hours advance notice are considered Unplanned Schedule Changes and hours worked shall be paid at the applicable overtime rate.

6.1.3.2 **Unplanned Shift Changes**

Changes in an employee's scheduled working hours (i.e., shift) made with less than twelve (12) hours notification prior to the start of the new shift are considered Unplanned Shift Changes and include:

- When an employee meets the conditions to be afforded a rest under Section 6.1.6 within this Article and is required to return to work before the end of the employee's eight (8) hour rest period, all hours worked are considered an Unplanned Shift Change.

- After the start of an employee's shift, if an employee is released and rescheduled for a later start time, all hours worked are considered an Unplanned Shift Change.
- If the work abuts the start of the employee's next shift and there is less than twelve (12) hours notification prior to start of the next shift.
- If the completion of a Call-In is two (2) hours or less before the start of the regularly scheduled shift, the Call-In will be considered to abut the shift. The employee will continue to work until the start of the regularly scheduled shift and hours worked will be paid at the Call-In rate. Once the regularly scheduled shift starts, the shift will be considered an Unplanned Shift Change and ending time will be adjusted accordingly. Pay will be at the Unplanned Shift Change pay rate for the remainder of hours worked.
- When the work alters the original shift start time with less than twelve (12) hours notification prior to the start of the new shift.

6.1.3.3 Unplanned Shift Changes are not eligible for schedule-based premium pay rates.

6.1.3.4 It is not an Unplanned Shift Change under the following circumstances:

- 6.1.3.4.1 An employee already at the reporting location up to one (1) hour before the employee's scheduled shift may be assigned to an earlier start time. The shift for that employee will be moved to one (1) hour earlier from the start of the employee's regular shift and such change is not considered an Unplanned Shift Change or a Call-In. Employees may be required to work through to the end of their original shift and may be required to work additional overtime.
- 6.1.3.4.2 An employee in the process of commuting in an assigned Company vehicle to or from the reporting location may be assigned an extended shift and such change is not considered an Unplanned Shift Change or Call-In. If commuting away from the reporting location, the time from the end of the shift to the time of the request is considered time worked.
- 6.1.3.4.3 Short duration work on a scheduled day off will be paid at a minimum of two (2) hours at the appropriate overtime rate.

6.1.4 **On-Call Assignment**

- 6.1.4.1 On-Call Assignments shall be filled between the qualified resource center, department and/or workgroup employees as equitably as practicable; qualified employees are those identified by Management as having the necessary skills to handle emergency response work.

- 6.1.4.2 If employees are assigned a Company vehicle for the purposes of emergency response when On-Call, travel to and from work is not considered commuting for the purposes of Section 6.1.3.2 nor is it considered paid time. Employees working On-Call Assignment are required to accept any Call-Ins.
- 6.1.4.3 Employees are responsible for the accuracy of their contact information. On-Call guidelines shall be documented by each department and/or workgroup as applicable.
- 6.1.4.4 An On-Call Assignment on an employee's regularly scheduled workday begins at the end of the employee's regular work shift including overtime worked beyond the end of the employee's regular shift and ends at the start of the employee's next shift the following day. An On-Call Assignment on an employee's scheduled days off begins at their normal shift start time and ends after twenty-four (24) hours or the start of the employee's next regular shift.
- 6.1.4.5 If an employee has an On-Call Assignment for which the Company provides lodging, the Company will provide a minimum of eight (8) hours work for the employee on the assigned day. Current guidelines for establishing On-Call Assignments will be utilized.
- 6.1.4.6 Pay for On-Call Assignment will be in accordance with Article 11.6.2 within this Agreement.

6.1.5 **Call-In**

- 6.1.5.1 When an Employee is notified to report for emergency, immediate or unplanned work within the same workday after completion of the employee's shift, or on a scheduled day off, the time worked shall be considered a Call-In.
- 6.1.5.2 For Call-Ins that do not abut a regularly scheduled shift, hours worked on the Call-In will be paid at the Call-In pay rate.
- 6.1.5.3 If the completion of a Call-In is two (2) hours or less before the start of the regularly scheduled shift, the Call-In will be considered to abut the shift. The employee will continue to work until the start of the regularly scheduled shift and hours worked will be paid at the Call-In rate. Once the regularly scheduled shift starts, the shift will be considered an Unplanned Shift Change and the ending time will be adjusted accordingly. Pay will be at the Unplanned Shift Change pay rate for the remainder of hours worked.
- 6.1.5.4 Call-Ins are not eligible for schedule based premium pay rates.

6.1.5.5 It is not a Call-In when:

- An employee is requested to extend hours in conjunction with a regular shift;
- An employee is commuting in an assigned Company vehicle per Section 6.1.3.4.2 to this Article, except for an Employee on an On-Call Assignment per Section 6.1.4.2 to this Article;
- An employee is on site within one (1) hour of start of shift and requested to start his or her shift early per Section 6.1.3.4.1 to this Article;
- An employee is requested at least twelve (12) hours in advance to work additional hours on a scheduled day off. A minimum of two (2) hours at the appropriate overtime rate will apply and the work time shall start at the reporting location.

6.1.5.6 **Call-In Procedure.** Call-In procedures shall be developed and documented by each department and/or workgroup as appropriate.

6.1.5.7 For immediate response (unplanned), paid time for the Call-In begins when the employee is in transit to the reporting location. In transit status will be established by telephonic or electronic notification to the Company that the employee is traveling to the reporting location.

6.1.5.8 For non-immediate response (planned), paid time for the Call-in begins when the employee arrives at the reporting location, unless an employee is assigned a Company vehicle during this time period, in which case time starts when the employee is in transit. In transit status will be established by telephonic or electronic notification to the Company that the employee is traveling to the reporting location.

6.1.5.9 Call-Ins that do not abut a regularly scheduled shift end upon completion of work and return to the reporting location unless an employee is assigned a Company vehicle during this time period, in which case time ends when the employee returns to his or her originating location.

6.1.5.10 Employees called in will be paid a minimum of two (2) hours at two (2) times their rate of pay. All subsequent Call-Ins that begin on the same scheduled day off or workday will be paid at two (2) times the employee's rate of pay for actual hours worked. Employees called in are obligated to remain in contact and be available to work for the full two (2) hours that they are being compensated.

6.1.6 Time Excused Due to Extended Work

6.1.6.1 The employee will be afforded the opportunity of taking eight (8) hours of non-worked time and returning to complete the remainder of the scheduled shift when within the twelve (12) hour period before the start of the regularly scheduled shift the employee works:

- A total of six (6) or more hours duration (consecutive or aggregate); or
- Three (3) or more Call-Ins and the employee has less than eight (8) hours of non-worked time immediately prior to the start of the employee's next scheduled shift.

6.1.6.2 **Time Not Excused Due to Extended Work.** The employee will not be afforded the opportunity of taking eight (8) hours of non-worked time:

- If employee's start time was moved to an earlier time due to an Unplanned Shift Change, employee is not eligible for a paid rest period.
- If employee's Call-In ends with eight (8) hours or more before the start of the scheduled shift.

6.1.6.3 Additionally, for safety reasons, following unscheduled work and/or Call-Ins prior to a regularly scheduled shift, Management reserves the right to excuse an Employee for some or all of the employee's regularly scheduled shift in accordance with the established Company policy and procedure

Time excused or worked for the remainder of the regular shift shall be paid at the straight-time rate and shall be counted as time worked for the purpose of calculating overtime.

Section 6.2 Work Reporting Methods

6.2.1 General

Work reporting methods, including facility-based reporting, jobsite reporting and telecommuting, are defined below. All employees have a work reporting method, in addition to a Company-based location, both of which are determined and assigned by the Company. The Company may change employees' Company-based location and work reporting method based on business needs.

6.2.1.1 Work reporting methods contained in Section 6.2 do not address mileage reimbursement or compensation for time spent traveling in accordance with provisions outlined in this Article.

- 6.2.1.2 When a work reporting method other than facility-based reporting is utilized, department/workgroup guidelines addressing the application of the method will be established and utilized.

6.2.2 Facility-Based Reporting Method

The facility-based reporting method establishes a location to which the employee reports (e.g., resource center, corporate office or storage facility). Under this method, the Company-based location is the reporting location. The employee must be at that reporting location and ready to work at the employee's scheduled start time.

6.2.2.1 Travel When Facility-Based Reporting

- Employees beginning and ending their shift at a temporary location within thirty (30) miles of their Company-based location will travel to and from the temporary location on their own time.
- Employees beginning and ending their shift at a temporary location greater than thirty (30) miles from their Company-based location will be compensated for travel time.
- Employees beginning and ending their shift at a temporary location will be paid mileage based on the distance between their Company-based location and the temporary location, unless a Company vehicle or other transportation is provided.

6.2.3 Jobsite Reporting Method

The jobsite reporting method establishes varying reporting locations (e.g., job sites, facilities or geographic work areas) to which the employee reports. The employee must be at the employee's reporting location and ready to work at his or her scheduled start time. Additionally, the employee must be at the employee's reporting location at the end of his or her shift, unless otherwise directed. Under this method, the Company-based location is not considered the fixed official work location/station.

6.2.4 Travel When Jobsite Reporting

For jobsite reporting, the region is defined as the geographic area within a fifty (50) mile radius of the Company-based location.

For travel within the region:

- Time spent traveling to and from the reporting location is considered personal commuting time and is not time worked.
- If an employee uses a personal vehicle to commute to and from the reporting location, there will be no mileage reimbursement for that commute.

For travel outside the region:

- Time spent traveling to and from the reporting location will be compensated as time worked based on the calculated travel time from the employee's Company-based location to the reporting location.
- If an employee uses a personal vehicle to commute to and from the reporting location, mileage reimbursement will be provided for that commute based on the calculated mileage between the employee's Company-based location and the reporting location.

Section 6.3 Health and Safety

6.3.1 It is the Company's responsibility to provide a safe work environment and to operate its system safely. The parties mutually agree to promote safe work practices, which include providing appropriate personnel and equipment to meet health and safety obligations. Changes to protective gear allowances provided by the Company shall be in accordance with Article 17.8 within this Agreement; unless otherwise required by applicable law.

6.3.2 All employees are subject to the Company's Drug and Alcohol policies.

Section 6.4 Emergency Operations

If adverse or emergency conditions exist, employees may be given alternative work assignments and/or work locations.

ARTICLE 7 EMPLOYEE DISPLACEMENT

Section 7.1 General

Employee displacement includes work redesign, redeployment, lack of work, bumping process, and layoff.

Section 7.2 Work Redesign

Work redesign may occur within a department, a workgroup, a resource center, or company-wide resulting in employee position status change or displacement from position. Prior to work redesign, the Company will involve the Union to discuss the impact of the redesign and identify issues that must be resolved prior to the application of the Company's Work Redesign Job Allocation Process. When a redesign has projected reductions in occupied positions or changes in Company-based location, the Company agrees to inform the Union in accordance with Section 7.3 to this Article and the Employer processes.

7.2.1 **Acceptance or Declination Timelines**

Regarding position selection, the employee shall be given a minimum of forty-eight (48) hours (two [2] complete work days) from point of notification to make his/her decision.

Failure or refusal by a regular employee to complete the documents within the agreed timeframe will be considered a declination.

7.2.2 **Position Reinstatement**

An eliminated position in the impacted group that is reinstated within one (1) year of a regular employee's displacement date will be offered in Company seniority order to those regular employees displaced by this redesign provided that the reinstated position is not in a location declined by that employee. This reinstatement applies to regular employees displaced due to the initial redesign only and not regular employees displaced due to any subsequent assignments or bumps.

Section 7.3 Redeployment

- 7.3.1 Redeployment is a process utilized to retain a regular employee whose job has been eliminated due to work redesign, or may be used in a regional lack of work if mutually agreed upon by the Union and the Company. This process may also be used as a result of Failure to Qualify During Qualifying Period as defined in Article 5.2 within this Agreement.
- 7.3.2 This process shall include preferential consideration for the displaced regular employee in the bidding and selection process for equivalent or lower grade positions for which the employee meets bidding qualifications. As an alternative to bumping, the Company may assign such employee to a position for which the employee meets bidding qualifications. Refer to the Redeployment Process and Failure to Qualify During Qualifying Period in accordance with Article 5 within this Agreement.

Section 7.4 Lack of Work

- 7.4.1 If the Company declares a regional lack of work in a location or workgroup, regular employees may be permanently assigned from one work location to another. Regular employees involved in regional lack of work will have their pay guaranteed per Article 1.5 within this Agreement. Once the Company has declared a regional lack of work, the impact and application of that determination shall be mutually agreed upon by the Union and the Company.
- 7.4.2 If the Company declares a Company-wide lack of work, the bumping process shall be applied per Section 7.5 to this Article.

- 7.4.3 The Union and the Company agree that in the case of unforeseen events that could cause the need for a temporary reduction in the amount of work available either Company-wide, in a location, or workgroup, the Union and the Company will meet to determine the method by which they may meet the challenges of the unforeseen event(s). Prior to the Company initiating any forced reduction in available work hours, the Union and the Company will endeavor to use as many voluntary means they deem appropriate and which meet the joint interests of the parties. Situations covered under this Section are not considered a permanent event and will not be subject to other provisions of this agreement such as layoff or bumping rights.

Section 7.5 Bumping

Bumping, as described in Section 7.5.1 to this Article, General Bumping Principles, and in the Company process, may be available for use in the following circumstances:

- Redeployment resulting from work redesign (refer to the Redeployment Process in accordance with Section 7.3 within this Agreement),
- Redeployment resulting from Failure to Qualify During Qualifying Period (refer to the Redeployment Process in accordance with Article 5 within this Agreement), and
- Company-declared lack of work.

7.5.1 General Bumping Principles

An employee:

- 7.5.1.1 Cannot bump an employee who has more Company seniority.
- 7.5.1.2 Cannot bump into a higher graded job.
- 7.5.1.3 Cannot bump into a job for which bidding qualifications are not met as defined in Article 4 within this Agreement.
- 7.5.1.4 Cannot bump into a previously declined job at any location due to Work Redesign.
- 7.5.1.5 Cannot bump into a previously declined job at that specific location due to assignment in redeployment.
- 7.5.1.6 Can decline to bump into positions that change their employment status (FT, PT>20, PT<20). In such cases, the Union and the Company will convene a Committee to provide oversight on significant redeployment and bumping activities. The process will be based on seniority, and the Committee will also consider employee preference for work location, current job held, previous jobs worked and maintaining group.

- 7.5.1.7 Can bump into a different employment status (FT, PT>20, PT<20), but must elect to change employment status accordingly.

Section 7.6 Layoff

- 7.6.1 The parties agree that a layoff will only occur when the Company determines a need to reduce its workforce. The Company may layoff any employee who has not earned employment security as defined in Article 1.4 within this Agreement.
- 7.6.2 Regular employees shall be given ten (10) working days' advance notice before a layoff expected to last longer than ten (10) working days.

ARTICLE 8 PERFORMANCE DEVELOPMENT AND MANAGEMENT

Section 8.1 Performance Appraisal

Management is responsible for maintaining an appraisal system to measure a regular employee's level of performance and provide feedback. Performance qualifying standards will be established by Management with appropriate Union involvement. The results of the appraisal process will determine if performance requirements have been or continue to be satisfied for:

- Probationary period,
- Qualifying period,
- Incumbent's ongoing performance appraisal, at least annually, and
- Advancement to the Experienced pay rate for the position (see Article 11.1.3 within this Agreement)

Section 8.2 Performance Development Plan

A Performance Development Plan (PDP) shall be used for incumbent regular employees who have been assessed as "not meeting" performance qualifying standards. However, Performance Development Plans are not to be used for term employees, probationary regular employees, and regular employees in their qualifying period, or situations warranting immediate use of the progressive discipline process. The Performance Development Plan will be kept in Human Resources (HR) in the employee's personnel file.

8.2.1 Responsibility of the Supervisor

Using a Performance Development Plan, Supervisors shall provide monitoring of regular employees so that the employees are aware of any standards they are not meeting, and what they need to do to meet the standard.

8.2.2 Responsibility of the Employee

Regular employees on a Performance Development Plan have the responsibility to follow through on the agreed plan, including any training or use of tools/resources provided by the Supervisor, and to inform the Supervisor if there are any barriers to completing the plan. Regular employees who know they are not meeting an essential function should ask Supervisors for a Performance Development Plan in order to ensure that they can meet the standards.

8.2.3 Relationship to the Disciplinary Process

The Performance Development Plan **cannot** be construed as the first step in the disciplinary process. All disciplinary action must be conducted as described in Article 20 within this Agreement. Each Supervisor has the right and responsibility to determine a course of action for a regular employee not meeting an essential function standard. If, in the view of the Supervisor, the failure of the regular employee to meet standards is of significant consequence and needs immediate action (Examples: Creates an untenable working environment, severely affects working processes, involves a Company policy, safety or Code of Ethics violation, etc.), the Supervisor may choose to use a disciplinary process for the regular employee; in accordance with Article 20 of this Agreement; rather than work through a Performance Development Plan. It is not required that the Supervisor first use the Performance Development Plan when working with a regular employee to improve performance.

8.2.4 Relationship to Pay

- 8.2.4.1 Regular employees are entitled to pay progression if they are not on an active Performance Development Plan and they meet the requirements defined under Article 11.1.3 within this Agreement.
- 8.2.4.2 The new pay will commence with the completion of the Performance Development Plan and satisfactory Performance Appraisal.
- 8.2.4.3 Successful completion of the Performance Development Plan does not change anniversary dates for pay progression timelines.

8.2.5 Line of Progression

Advancing within Line of Progression jobs requires a regular employee currently meet all the standards for the previous job prior to being eligible to move into the next job.

Section 8.3 Statement of Expectations

- 8.3.1 A Statement of Expectations is a non-disciplinary coaching tool a Manager or Supervisor may use to outline and help an employee understand the Manager's or Supervisor's expectations of the employee.
- 8.3.2 At times a Manager or Supervisor may choose to provide an Employee with a Statement of Expectations to further communicate or document expectations. A Statement of Expectations may be retained in the employee's personnel file for no more than four (4) years, unless otherwise agreed to between the Company and Union.

ARTICLE 9 ATTENDANCE

Section 9.1 General

The Union and the Company agree that employees' regular and reliable attendance is critical to the success of the Company. The Union and the Company further agree that late arrivals to work, early departures from work, and other unscheduled and unapproved absences are disruptive and should be avoided. Employees are expected to be at work each scheduled workday, on time and ready and able to work and all employees are expected to have regular, reliable and punctual attendance. Appropriate use of Paid Time Off (PTO), disability benefits (Short-Term Disability, Long-Term Disability and Workers' Compensation), and protected forms of leave as defined by Company policy are essential to employee well-being, a healthy work environment, and a committed workforce, which are integral factors in Company performance.

Section 9.2 Relationship to Paid Time Off

Employees may use Paid Time Off (PTO) per Article 12 within this Agreement for vacation, illness, accident, family illness, medical appointments or personal business.

Section 9.3 Attendance Guidelines

9.3.1 Definitions

9.3.1.1 Time away from scheduled work is:

- **Absence:** one (1) hour or more of time away is considered one (1) absence. This includes late arrivals and early departures as well as full day absences.
- **Tardy:** Late arrivals or returns and early departures of less than one (1) hour. This includes late arrivals or returns from breaks or meal periods.

- **Days Off:** Negotiated days off such as PTO, holidays, floating days, bereavement leave, etc.

9.3.1.2 **Approved:** Time away will be considered approved when the time away is:

- Protected leave, defined under applicable local, state or federal laws (i.e., FMLA, OFLA, WFLA), or relevant leave laws.
 - Discipline or retaliation based on an employee's use of protected leave is not permitted. Employees are responsible for providing appropriate notice and documentation of protected leave as described in the Company's Family Medical Leave policy.
- Approved bereavement leave (per Article 13 within this Agreement), approved military leave, protected leave (as defined in Company policy), jury duty, witness duty on behalf of NW Natural, and approved absences due to industrially related injuries or illnesses.
- Granted supervisory approval with at least forty-eight (48)* hours' notice, e.g., floating days, PTO, appointments.

*Requests for time away from work with less than forty-eight (48) hours' notice might be considered approved. This is an exception and the decision is at the sole discretion of the Supervisor/Manager/designated approving authority.

9.3.1.3 Protected leave is applied prior to absences being determined to be unapproved. Employees need to work with Matrix or current leave administrator and the Human Resources team to determine whether any particular absence is covered by protected leave.

9.3.1.4 **Unapproved:** An absence will be considered unapproved when the time away from work does not meet the criteria for approved absence within this Article or if:

- The employee failed to notify his or her department's designated approving authority or failed to follow the applicable department reporting procedures for the absence, tardy, or early departure before the start of the scheduled shift or as soon as practicable upon the employee's knowledge that they would be late or absent.
- Employees may use their accrued Paid Time Off (PTO) for unanticipated absences with less than forty-eight (48) hours' advance notice, but the time away is not considered approved just because the employee has PTO available to cover the time they were away from work. Employees may be required to substantiate the reason(s) for their absence in order for the time away to be considered approved.

9.3.1.5 **Unacceptable Amounts/Patterns of Unapproved Absences:** An unacceptable pattern of unapproved absence is demonstrated generally by the following:

- Except as provided in Section 9.3.1.2 to this Article, after five (5) unapproved absences within a rolling twelve (12) month period measured backward from the date of the most recent unapproved absence.
- Unacceptable patterns of unapproved absence do not replace supervisory and management judgment when reviewing employees' attendance and any mitigating circumstances involved. Unacceptable amounts/patterns of unapproved absence may be subject to discipline per Article 20 within this Agreement. The Company has discretion to assess an employee's overall attendance record as it relates to unapproved absences to determine if there is an unacceptable pattern and, if so, the appropriate level of discipline.

9.3.1.6 **No Call/No Show:** An employee is considered to be a No Call/No Show when the employee fails to report for work without contacting his or her Supervisor (or the Supervisor's documented designee, or if no documented designee, the next level of Supervision) or without following any applicable department-level procedures for absence notification. After three (3) or more consecutive workdays in which a No Call/No Show has occurred, an employee is considered to have voluntarily abandoned employment with the Company.

ARTICLE 10 ISSUE RESOLUTION

Section 10.1 Introduction

The Issue Resolution Process is the agreed to method to address questions, conflicts and disputes, regarding any provisions of this Agreement, at the lowest level possible prior to going through the Grievance Process. The Issue Resolution Process is not intended to be a substitute for direct dialogue between employee and Supervisor. The objective of the Issue Resolution Process is to promote open and continuous communication to determine what's right, not who's right, regarding concerns in the workplace. This process is established on the premise of trust, respect and the mutual goal of resolving issues at the earliest opportunity and appropriate level.

Section 10.2 Issue Resolution Process

10.2.1 Step One

Prior to filing a formal issue, the employee and the Supervisor should first meet informally to discuss and attempt to resolve the issue(s).

10.2.2 Step Two

In the event there is no resolution, the Steward, the employee and the Supervisor should meet and discuss the issue(s) and attempt to resolve the issue(s) informally.

Section 10.3 The Issue Resolution Committee

10.3.1 Step Three

Should the issue not get resolved between the employee, the Steward and the Supervisor, it shall be presented to an Issue Resolution Committee, hereinafter referred to as the "Committee," for consideration.

- 10.3.1.1 An Issue Resolution Committee is organized on an ad hoc basis for the purpose of dealing with possible conflict(s) with the Agreement and in accordance with Section 10.1 to this Article. The Committee shall not have the authority to change, delete, or modify any terms and conditions of the Agreement.
- 10.3.1.2 The Committee shall be comprised of two (2) bargaining unit members appointed by the Union and two (2) management employees appointed by the Company. These Committee members shall be selected from the list of Labor/Management Committee members by the LMC Co-Chairs.
- 10.3.1.3 For any single topic the Committee may meet for up to three (3) hours total.
- 10.3.2 The Committee shall consider only those contract issues which are mutually agreed upon or otherwise designated in the Agreement or bylaws of the Committee.
- 10.3.3 The Committee resolution decisions will be made by consensus and the Committee shall submit their findings and decision to the employee, Supervisor, and the LMC Co-Chairs. Resolutions that are changes to work rules/conditions or other items that may impact other workgroups or employees shall be submitted to the LMC Co-Chairs for review, approval, and communication to members and/or workgroups impacted.
- 10.3.4 Should these four (4) Committee members not reach consensus within fourteen (14) calendar days, they shall immediately communicate this to the LMC Co-Chairs for resolution or movement to the grievance process.
- 10.3.5 All timelines above may be extended by mutual agreement of the Union and the Company. If extended, notification will generally be provided to all parties along with status and anticipated action within three (3) working days of the decision to extend or as soon as possible thereafter.

- 10.3.6 Nothing in this language precludes a party from withdrawing an issue at any time with notification to the Union office and Human Resources.

ARTICLE 11 WAGES

Section 11.1 Compensation

The parties agree to ensure that there will be a compensation system that supports business operations while maintaining internal and external equity.

- 11.1.1 **Pay Rates.** Each job will be placed in a pay group. Each pay group will have at least two (2) pay steps.

- 11.1.2 **Entry Rate.** This rate of pay is one step below the Experienced Rate.

- 11.1.2.1 An employee entering a position which has only two (2) pay steps shall receive the Entry Rate when:

- Entering a new position in a higher pay grade,
- Entering a new position in the same grade when an employee is currently receiving the entry pay rate,
- Entering the same or lower position and an employee has never received the Experienced Rate for either position.

- 11.1.3 **Experienced Rate.** This is the top rate of pay an employee will receive for that grade.

- 11.1.3.1 In order to receive the Experienced Rate an employee must first successfully complete all of the following:

- Any applicable in training programs or required certifications.
- Receive the Entry Rate for the new position for a period not less than two hundred and sixty (260) working days (credit towards the two hundred and sixty [260] working days will be given for any previous days worked in the same or higher grade at the entry rate). The parties agree for absences of twenty (20) work days or more, the Company may, at its sole discretion, extend the two hundred and sixty (260) day timeframe by the same number of work days missed.

- The qualifying period for the position.
- Receive satisfactory performance evaluation(s).

11.1.3.2 Employees who have previously held the same or higher grade and who have received the experience rate for the same or higher grade shall also be paid the experienced rate.

11.1.4 **Additional Pay Steps**

11.1.4.1 Under certain circumstances, positions may have additional pay steps. These positions must be mutually agreed to and have formal In-Training programs and as defined below.

11.1.4.2 An employee entering a position with these additional pay steps will receive the appropriate rate of pay in accordance with the provisions within this Article. The starting rate shall not be less than eighty percent (80%) of the Experienced Rate.

11.1.4.3 A formal In-Training program is required for a position to have additional pay steps. Not all positions with a formal training program will have additional pay steps. The starting step for any such position shall not be less than eighty percent (80%) of the experienced rate as deemed appropriate by the Company.

11.1.4.4 **Positions with Approved Additional Pay Steps**

Currently, the following positions have additional pay steps. The pay steps are tied to timeframes and not to completion of training phases or qualifying periods. During the life of this Agreement, positions with additional pay steps may be added to, removed from or changed by mutual agreement between Management and the Union.

- Corrosion Technician
- Pipe Fuser (Construction 1)
- Service Technician (CFS 2)
- Mechanic Welder (Welding & Fabrication 4)

11.1.4.5 Time starts on the date of hire for external hires and rehires or first day of training for internal hires. Employees shall progress through Steps 1 through 4 in accordance with the schedule below.

Employees may progress from Step 4 to Step 5 (Experienced Rate), after successfully meeting all the conditions as described in Section 11.1.3.1 to this Article and receiving satisfactory performance evaluations. Steps as a percentage of Experienced Pay Rate are listed below:

Step	Time in Program	% of Experienced Pay Rate
1	0 months	80%
2	6 months	85%
3	12 months	90%
4	24 months	96% (Entry)
5	36 months	100%

Pay rates for internal employees entering an In-Training program will be determined as follows:

- When promoting into a job with a higher pay grade the employee shall be placed at the Step closest to their current rate of pay that results in a pay increase.
- When bidding into a job in the same pay grade, they shall be placed at the same Step the employee currently holds, except in the case of an employee who currently holds the Experienced Rate where it will be the Step below the Experienced Rate.
- When bidding into a job with a lower pay grade they shall be placed at the Step below the Experienced Rate which results in the least reduction in pay.

11.1.4.6 Internal employees entering an In-Training program at a step higher than Step 1 will advance to the next Step within the timeframes as defined in the above chart. For example, an employee who enters at Step 3 will move to the Step 4 pay rate after twelve (12) months.

Section 11.2 Scheduled Annual Increases and Wage Adjustments

Increases to wages are incorporated into “Schedule B – Wage Scale” within this Agreement. These negotiated rates were achieved utilizing the guiding principle of alignment with market practices and internal equity considerations. This principle was applied to comparable companies, surveys and job matches.

11.2.1 An employee’s rate of pay shall be adjusted depending upon the employee’s current rate of pay as follows

- Effective December 1, 2019 all bargaining unit employees shall first be moved to the base rate for their job group in accordance with “Schedule A – Job Titles by Pay Group” to this Agreement. If a bargaining unit employee is currently paid above their job group, they will be held at their current pay rate.

- Effective December 1, 2019 all bargaining unit employees shall receive an increase, to their base rate of one and one-half percent (1.5%) and as set forth in “Schedule B – Wage Scale” within this Agreement. If a bargaining unit employee is paid above the base rate plus the one and one-half percent (1.5%) they will be held at their current rate of pay except as specified in Section 11.2.3 and Section 11.4 within this Article.
- Effective June 1, 2020 all bargaining unit employees shall receive an increase of two percent (2%) and as set forth in “Schedule B – Wage Scale” within this Agreement. If a bargaining unit employee is paid above the base rate plus two percent (2%) they will be held at their current rate of pay except as specified in Section 11.2.3 and Section 11.4 within this Article.
- Effective June 1, 2021 all bargaining unit employees shall receive an increase to their current wage rate of three and a half percent (3.5%) and as set forth in “Schedule B – Wage Scale” within this Agreement. If a bargaining unit employee is paid above the base rate plus the three and one-half percent (3.5%) they will be held at their current rate of pay except as specified in Sections 11.2.3 and Section 11.4 within this Article.
- Effective June 1, 2022 all bargaining unit employees shall receive an increase to their current wage rate of three and a half percent (3.5%) and as set forth in “Schedule B – Wage Scale” within this Agreement. If a bargaining unit employee is paid above the base rate plus three and one-half percent (3.5%) they will be held at their current rate of pay except as specified in Section 11.2.3 and Section 11.4 within this Article.
- Effective June 1, 2023 all bargaining unit employees shall receive an increase to their current wage rate of three and a half percent (3.5%) and as set forth in “Schedule B – Wage Scale” within this Agreement. If bargaining unit employee is paid above the base rate plus three and one-half percent (3.5%) they will be held at their current rate of pay except as specified in Section 11.2.3 and Section 11.4 within this Article.
- Employees in positions covered by pay guarantees in Article 1.5 within this Agreement are covered in Section 11.4 to this Article below.

11.2.2 For Employees whose current rate of pay is equal to that contained in “Schedule B – Wage Scale,” the minimum Scheduled Annual Increase is specified in the table below.

Scheduled Annual Increases	
Effective Date	Percentage Increase
December 1, 2019	1.5 %
June 1, 2020	2.0 %
June 1, 2021	3.5 %
June 1, 2022	3.5 %
June 1, 2023	3.5 %

11.2.3 Employees whose current rate of pay remains above the Wage Scale prior to the Scheduled Annual Increase shall receive increases when the:

- Wage rate remains more than three percent (3%) above that contained in the Wage Scale prior to the Scheduled Annual Increase. The Employee shall receive a one percent (1%) increase in the Employee's current wage rate plus a lump sum* equivalent to the difference between the one percent (1%) wage increase and the Scheduled Annual Increase.
- Wage rate remains less than three percent (3%) above that contained in the Wage Scale prior to the Scheduled Annual Increase. The Employee shall receive that percentage amount of the Scheduled Annual Increase necessary added to the Employee's current wage rate to achieve the rate of pay equal to that amount specified in the Wage Scale. The difference between the percentage amount received and the Scheduled Annual increase, shall be in a lump sum* amount.

*Lump sums owed under these provisions shall be calculated based on the employee's regular and overtime earnings for pay periods ending in the preceding twelve (12) month period prior to the increase, and shall be paid on the employee's second pay check in the month the increase was issued.

Section 11.3 Job Compensation and Approval Process

11.3.1 Human Resources Professional Review Request

When a new bargaining unit job is established or if there is a substantive change to the job that requires changing the job match used in the market evaluation as determined by the Human Resources Compensation Professional, the Company shall conduct a market evaluation of wages using the same comparable companies, surveys, job matches, and methodology used in the negotiations for this Agreement. For purposes of determining whether there is a substantive change to a job, the company's Human Resources Compensation professional will make the ultimate determination which will focus on whether there is a material change in job duties that significantly affect the nature and level of the work being performed and using the process described below. This Section does not prevent the process described in Section 11.3.2 within this Article.

11.3.2 Department/Employee Review Request

The LMC Leadership Team (LMC LT) will review and approve recommended changes to Job Matches, Pay Groups, Wage Rates and Adjustments as described in this Article and presented by the Company Compensation Professional. The LMC LT reserves the right to bring in subject matter experts to inform their decisions; by mutual agreement between the Union and the Company.

11.3.3 Changes and additions of a significant nature to “Position Specific Essential Functions” and/or requests for reevaluation of placement in a job family; and level; will follow these steps:

- (1) Employee(s) shall submit the Job Compensation Evaluation to their department Manager for consideration. The employee's department shall so notify the employee(s) in writing within ten (10) working days or as practicable; if they agree or disagree with the request.
 - a. Management will submit the “Request to Existing Bargaining Unit Job/Position Description or Placement” form to Human Resources.
 - b. Upon notice for the Job Compensation Evaluation, the LMC Co-Chairs will notify the employee and the Manager within twenty (20) business days or as practicable as to whether the position warrants market review.
- (2) Human Resources will review and create a revised job description as appropriate; within thirty (30) days, or as practicable, of receipt on the Job Compensation Evaluation request.
 - a. Human Resources will present results, findings, and recommendations to the LMC LT.
- (3) The effective date of any change will be the date of the decision by the LMC LT. If the compensation review has taken an extended period of time (i.e., more than three (3) months) the LMC LT will agree on an appropriate effective date.

Section 11.4 Honored Pay Rate Employees

11.4.1 Effective December 1, 2019 and for the term of this Agreement, Honored Pay Rate employees shall receive a lump sum equal to the scheduled annual increase. This lump sum payment shall continue until the difference between their current rates of pay prior to the scheduled annual increase is less than three percent (3%) more than the rate of the “Schedule B – Wage Scale.” At that time, they will receive that percentage amount necessary for their current wage to equal that in the “Schedule B – Wage Scale” with the difference between that amount and the scheduled annual increase in a lump sum*.

* Lump sums owed under these provisions shall be calculated based on the employee’s regular and overtime earnings for pay periods ending in the preceding twelve (12) months period prior to the increase, and shall be paid on the employee’s second pay check in the month the increase was issued.

11.4.2 In the event an Honored Pay Rate employee bids into a position with a Wage Scale rate lower than the pay rate for the position the employee was placed

or preferentially bid into that resulted in the pay guarantee, the employee's pay shall be decreased to the rate contained in the Wage Scale for the position into which the employee bid.

Section 11.5 Key Goals

11.5.1 For plan year 2019, the Key Goals opportunity between zero (0) and three percent (3%) will be based upon Key Goals measures as determined by the Key Goals Committee. Any opportunity for awards above three percent (3%) will be determined by profits above the budgeted earnings per share target for the year as determined by the Company.

11.5.2 The maximum annual 2019 Key Goals award will be no greater than seven percent (7%) of eligible earnings and is only attainable if the Company has an exceptional year. The Key Goals Program contains definitions of eligible earnings and employee eligibility.

11.5.3 After the 2019 Key Goals award there will be no Key Goals program for the life of this Agreement.

Section 11.6 Premium Pay Rates

11.6.1 Overtime Pay

11.6.1.1 An employee shall be paid at one and one-half (1.5) times the regular rate, including applicable premiums for:

- The first twelve (12) hours worked on the first scheduled day off for any time worked.
 - The first twelve (12) hours worked on an Unplanned Schedule Change or an Unplanned Shift Change except as provided for in Section 11.6.1.2 to this Article.
- Hours worked in excess of an employee's shift (minimum eight [8] hours) when working a regular full-time schedule.
- Hours worked in excess of forty (40) regular hours in a workweek, when working a regular full-time, flexible or part-time schedule.

11.6.1.2 An employee shall be paid at two (2) times the employee's regular rate, including applicable premiums for:

- More than four (4) hours worked in excess of an employee's shift (minimum eight [8] hours), or hours worked in excess of forty (40) regular hours plus twenty (20) time-and-one-half hours in a workweek.

- All hours worked on the second scheduled day off in a workweek when no schedule change is involved. This applies only if an employee works at least eight (8) hours on the first scheduled day off.
- All hours worked on a Sunday that is a scheduled day off.
- Call-Ins as provided for in Article 6.1.5 within this Agreement.
- All hours worked on holidays as provided for in Article 14.5 within this Agreement.

11.6.2 Pay for On-Call Assignment

- Fifty-eight dollars (\$58.00) for each On-Call Assignment on an employee's regularly scheduled workday,
- Eighty-seven dollars (\$87.00) for each On-Call Assignment on an employee's scheduled days off, and
- One Hundred Thirteen dollars (\$113.00) for each On-Call Assignment that begins on an actual (not an Observed) holiday as defined in Article 14.1 within this Agreement.

Effective June 1, 2020 the amounts listed in this Section above will be increased annually at the same time and percentage as the scheduled annual increase in accordance with Section 11.2.2 to this Article.

11.6.3 Recognition for On-Call Assignments

- 11.6.3.1 Employees who have ninety (90) to one hundred fourteen (114) On-Call Assignments in a calendar year will receive a payment of one and a half percent (1.5%) of that Employee's regular and overtime earnings for that same calendar year payable in a lump sum on the second regularly scheduled paycheck in January of the next year.
- 11.6.3.2 Employees who have one hundred fifteen (115) or more On-Call Assignments in a calendar year will receive a payment of two and a half percent (2.5%) of that Employee's regular and overtime earnings for that same calendar year payable in a lump sum on the second regularly scheduled paycheck in January of the next year.
- 11.6.3.3 Call-In pay is in addition to On-Call Assignment pay as provided in Article 6.1.5 within this Agreement. On-Call Assignment periods are not to be counted as time worked for the purpose of calculating overtime.

11.6.4 **Schedule Based Premium Pay**

11.6.4.1 **Saturday/Sunday Pay.** Hours worked on Saturday and/or Sunday as part of the employee's regularly scheduled workweek; as defined in Article 6 within this Agreement; shall be compensated an additional two dollars and seventy-five cents (\$2.75) per hour.

11.6.4.2 **Shift Work Pay.** Hours worked on Swing and/or Graveyard shift as part of the employee's regularly scheduled workweek shall be compensated an additional one dollar and fifty cents (\$1.50) per hour.

11.6.5 **Skill Based Premium Pay**

11.6.5.1 **HAZWOPER Work Pay.** Employees trained to perform duties identified by the Company as HAZWOPER (Hazardous Waste Operations and Emergency Response) will receive an additional two dollars and fifty cents (\$2.50) per hour when performing such duties.

11.6.5.2 **Bilingual Pay.** All hours worked by an employee who is qualified for and participating in an approved Bilingual Program shall be compensated an additional one dollar (\$1.00) per hour.

11.6.5.3 **High Angle Work Pay.** Employees identified, trained and certified in high angle work and rescue skills shall be paid an additional two dollars and fifty cents (\$2.50) per hour when performing such duties.

When an employee is eligible and earning premium pay under any of the categories listed in this Section, that premium pay will be included when calculating the employee's overtime rate.

ARTICLE 12 PAID TIME OFF (PTO)

Section 12.1 General

12.1.1 Paid Time Off (PTO) benefits are available to employees and may be used for vacation, illness, accident, family illness, medical appointments, or other personal business. PTO shall accrue according to Length of Service with the Company as defined in Section 12.3 to this Article.

12.1.2 Guidelines for PTO Scheduling

Established PTO selection groups based on a department, work group or resource center with more than one (1) bargaining unit employee may create their own guidelines for PTO scheduling. These guidelines shall:

- Include signatures of the department Manager and the Union Representative.
- Include date the guidelines were completed or reviewed.
- Be posted in such places as is normal.
- Be reviewed no more than once each calendar year, and changes must be finalized sixty (60) days prior to the start of the department's PTO selection process.

12.1.3 Unless otherwise defined in an employee's department, work group or resource center guidelines, scheduling of available PTO will be as follows:

- During the first round of scheduling, full work weeks, including weeks with holidays, and consecutive weeks may be scheduled.
- During the second round, partial weeks and single days can be scheduled.
- Carry over PTO hours accrued in previous years may be scheduled once all employees have been afforded the opportunity to schedule their current year accrual.
- Groups without guidelines will review the need for guidelines not more than annually and if mutually agreed to, then, the group can continue to operate without guidelines.

12.1.4 Employees will be required to take a minimum number of PTO hours annually (Annual Minimum Usage) as described in Section 12.2.2 to this Article, but will otherwise be able to carry over accrued but unused PTO up to a total of four hundred and eighty (480) PTO hours.

All other PTO provisions of the Agreement apply (i.e., requests must be made forty-eight [48] hours in advance, etc.).

12.1.5. **Previously Approved PTO Scheduling When Awarded a Position**

Once a position has been awarded, the awarding group will attempt to accommodate the PTO requests that were previously approved, but it is still subject to availability and approval. If an employee exercises the right of return, the group that the employee is returning to will attempt to accommodate the PTO request that was previously approved, but it is still subject to availability and returning Supervisor approval.

12.1.6 The LMC Co-Chairs may approve payout of annual minimum usage time not taken that otherwise would be forfeited due to the inability to schedule the

minimum because of a disability or protected leave. In all other cases, for employees who do not take the full annual minimum usage of PTO, the PTO will be forfeited.

12.1.7 Annual Minimum PTO Usage Exceptions

- 12.1.7.1 Employees are responsible to schedule and take annual minimum PTO within department guidelines.
- 12.1.7.2 For employees whose medical disability time off or protected leave does not allow them to schedule their entire annual minimum PTO usage hours, unused minimum hours may be paid out rather than rolled over. In these cases, employees need to make their request via email to the LMC Co-Chairs prior to December 31st. Requests are reviewed on a case by case basis; approval is not automatic. Employees will be advised via email of the final decision.

Section 12.2 Accrual

- 12.2.1 Regular employees begin to accrue PTO benefits from the first day of regular employment. PTO benefits are credited to the employee’s account at the end of each pay period.
- 12.2.2 The rate of PTO accrual is based on a regular employee’s Length of Service as follows:

Length of Service	Annual PTO Accrual	Annual Accrual In Hours	Annual Minimum PTO Usage
0 to less than 1 year	16 days	128 Hours	0
1 to less than 5 years	16 days	128 Hours	40 Hours
5 to less than 13 years	21 days	168 Hours	80 Hours
13 to less than 22 years	26 days	208 Hours	120 Hours
22 years and more	31 days	248 Hours	160 Hours

- 12.2.3 During the year in which an increase in annual PTO accrual occurs, the change will take place during the pay period of the regular employee’s anniversary date and will be prorated for the calendar year.
- 12.2.4 Term Employees accrue PTO only as provided for in their Term Employment Agreement.
- 12.2.5 Employees who qualify for Short-Term Disability (STD), Workers' Compensation (WC), or protected leave as defined in Company policy will continue to accrue PTO during their first six (6) months of absence.

- 12.2.6 Employees do not accrue PTO while on Long-Term Disability (LTD) or after six (6) months on WC or protected leave as defined in Company policy, unless otherwise required by applicable law.
- 12.2.7 PTO will not accrue during a voluntary unpaid leave of absence of any duration (See Section 12.7 to this Article).
- 12.2.8 Employees may borrow PTO in advance up to their current year annual accrual. An employee who terminates employment with a negative PTO balance will be required to reimburse the Company for the PTO advanced to the employee. Employees agree and understand that this reimbursement will be deducted from the employee's final paycheck and that such deduction is specifically authorized as a term of this Agreement.
- 12.2.9 PTO accrual for part-time regular employees will be prorated based on the actual hours worked as compared to a full-time year of two thousand eighty (2,080) hours.

Section 12.3 Length of Service

- 12.3.1 Length of Service for purposes of determining PTO accrual shall be defined to include:
- The time during which the regular employee was an employee and received income (pay) or income replacement (e.g., STD, LTD, WC), regardless of whether that previous service was as a regular or term employee; and
 - An approved period of absence without pay that is less than sixty (60) consecutive calendar days. In such a circumstance, the regular employee will retain his or her original hire date for the calculation of the Length of Service.
- 12.3.2 Length of Service does not include periods of absence without pay of sixty (60) or more consecutive calendar days, unless otherwise required by applicable law.
- 12.3.3 Regular employees who have a break in service may be eligible for an adjusted PTO abridgement date for PTO accrual if their prior eligible Length of Service is greater than the time, they were not an employee of the Company. If so eligible for abridgement date, the duration of the break in service will not be credited toward Length of Service. The determination of this adjustment will be done at the time of rehire.
- 12.3.4 Section 12.3 to this Article addresses Length of Service for purposes of determining PTO accrual. Length of Service may be defined differently in

other benefits plans including, for example, the Retirement Plan for bargaining unit employees. In such cases, the terms of the individual plan(s) control.

Section 12.4 Buy Back Provision

Employees may request a buy back of their annual PTO accrual which exceeds the minimum usage requirement. Requests for buy back will be permitted so long as the PTO balance is not reduced below thirty-two (32) hours. The thirty-two (32) hour buy back restriction does not apply to the scheduling of PTO (i.e., PTO can be scheduled to a zero [0] balance, but not sold below the thirty-two [32] hour balance).

12.4.1 In all buy back instances, the calculation of pay for buy back requests refers to the current rate of pay at the time of the buy back, which means the rate of pay contained in the Wage Scale for the current awarded position. If rate retained, the higher rate applies. This applies only to situations of PTO buy back and has no impact on the language contained in Section 12.5 to this Article.

12.4.2 All PTO buy back shall be in accordance with IRS rules and Company guidelines.

Section 12.5 Rate of Pay

The rate of pay for PTO shall be computed at the employee's wage rate for the employee's current awarded position. If rate retained, this higher rate applies. In addition, the rate of pay shall include the appropriate shift work pay and other premium pay if the employee works (is scheduled to work) shift work and/or receives premium pay every working day.

Section 12.6 Scheduling of PTO

12.6.1 Except for emergencies, bereavement and PTO for unanticipated illness as described in Article 15.1 within this Agreement, requests for PTO for full or partial day absences must be made forty-eight (48) hours in advance and require prior Supervisor approval. The minimum increment of time that may be used for PTO is fifteen (15) minutes.

12.6.2 Employees will schedule PTO on a Company seniority basis according to workgroup, department or resource center guidelines and in accordance with this Article.

Section 12.7 Voluntary Leave of Absence Without Pay

A voluntary unpaid leave of absence is a leave of absence without pay that does not fall within any category of protected leave as defined in Company policy. Employees are

eligible for a voluntary unpaid leave of absence only as provided for in Company policy. Annual PTO accrual must be exhausted before an employee may take a voluntary unpaid leave of absence and PTO will not accrue during a voluntary unpaid leave of absence of any duration. Under certain business conditions the Executive Officer responsible for Human Resources may waive the requirement to use the annual PTO accrual prior to allowing voluntary leave without pay.

Section 12.8 PTO Counts as Time Worked

Any PTO used by an employee shall be treated as if it were time worked for the purpose of computing overtime.

Section 12.9 PTO at Separation

At the time an employee retires or separates employment, all accrued and unused PTO will be paid to the employee with their final paycheck. Accrued PTO is not intended to be used to extend employment prior to retirement or separation, therefore, employees shall not schedule more than a maximum of one (1) month of PTO just prior to their retirement or separation date.

ARTICLE 13 PAID BEREAVEMENT LEAVE

Section 13.1 General

- 13.1.1 Regular employees who have completed the probationary period of employment with the Company are eligible for Paid Bereavement Leave in the event of the death of a covered family member. Eligible employees may take up to a maximum of three (3) workdays of Paid Bereavement Leave for each death of a covered family member to grieve and attend to matters related to the loss. A covered family member is defined in the Company's Bereavement Leave policy.
- 13.1.2 Employees must notify the Company as soon as practical when taking Paid Bereavement Leave or any extension of bereavement leave covered by PTO in accordance with departmental absence reporting practices. Employees may be required to provide documentation.

Section 13.2 Rate of Pay

The rate of pay for Paid Bereavement Leave shall be computed in the same manner as PTO as described in Article 12.5 within this Agreement.

ARTICLE 14 HOLIDAYS

Section 14.1 Holidays Defined

14.1.1 Paid Holidays

New Year's Day
Memorial Day
Independence Day
Labor Day
Thanksgiving Day
Day after Thanksgiving
Christmas Day
Three (3) Floating Days per calendar year
One (1) Additional Designated Holiday

14.1.2 Paid Holidays Falling on a Saturday and/or Sunday

Any Holiday which falls on a Sunday shall be observed on the following Monday; any Holiday which falls on a Saturday shall either be observed on another day or be paid at the employee's regular straight-time pay as determined by the Manager (Observed Holiday). However, for employees with regular schedules that include scheduled workdays of Saturday and/or Sunday, the holiday shall be recognized on the actual date of the Holiday and not on the Observed Holiday.

Section 14.2 Holiday Pay

- 14.2.1 Full-Time regular employees shall receive holiday pay based upon an eight (8) hour day regardless of assigned shift (e.g., ten [10] or twelve [12] hours).
- 14.2.2 Part-Time regular employees receive holiday pay based on the actual hours compensated in the two (2) full pay periods prior to the pay period in which the Holiday occurs as compared to a normal two (2) full pay periods of one hundred sixty (160) hours.

Section 14.3 Floating Days

- 14.3.1 Floating days are additional paid days off which are not defined holidays and during which the Company will remain open. Employees are eligible for three (3) floating days per calendar year. Floating days must be used within the calendar year or they are forfeited. Floating days will be made available by Management to the limit required by the department to assure appropriate business staffing. Employees must schedule their floating days within these limits with the mutual agreement of their Supervisor.

Examples of floating days typically requested by employees include:

- Martin Luther King's Birthday
- Presidents' Day
- Veterans Day
- Employee's Birthday

14.3.2 Employees in their first year of employment will be eligible for floating days during that calendar year as follows:

Hire Date	Floating Days Qualified For
January 1 through April 30	Three (3) 8-hour days
May 1 through September 30	Two (2) 8-hour days
October 1 through November 30	One (1) 8-hour day
December 1 through December 31	0 days

14.3.3 Scheduled floating days qualify as a holiday for pay. Part-Time regular employees receive pay for floating days per Section 14.2.2 within this Article.

Section 14.4 Additional Designated Holiday

14.4.1 Employees will be given one (1) additional designated holiday to be used on the workday before or after Christmas or New Year's Day. The day or days available for scheduling the additional designated holiday will be based upon staffing requirements as determined by the department Manager, which may vary by employee if the department is not closed.

14.4.2 Scheduled additional designated holidays qualify as a holiday for pay.

Section 14.5 Holiday Allowance for Work on a Holiday

14.5.1 Employees who work during a holiday, additional designated holiday, or on a previously scheduled floating day shall be paid at two (2) times the employee's regular rate and the rate of pay shall include the shift differential and other applicable premium pay if the employee works or is scheduled to work an alternate shift and/or receives premium pay every working day. In addition, the employee will receive a holiday allowance of eight (8) hours pay or may select a day off mutually agreed to by the Supervisor and the employee.

14.5.2 Employees whose scheduled workday is on the actual date of the holiday (not the observed holiday) shall be paid at two (2) times the employee's regular rate and be granted either the eight (8) hours pay or an alternate day off, and will receive regular pay for working a scheduled workday on the observed holiday.

Section 14.6 Holiday Pay if Absent

14.6.1 Employees who are absent are eligible for holiday pay when on:

- Approved PTO or absences the days before or after a holiday;
- Paid status for a continuous absence for a period of not more than six (6) months and when the pay is in some form directly from the Company;
- Unpaid status in conjunction with a protected leave; or
- Short-Term Disability (STD). The employee receives holiday pay to supplement the portion of the employee's earnings not paid through STD, calculated at the employee's regular straight-time rate not to exceed a total of one hundred percent (100%) of the employee's regular pay.

14.6.2 Employees are not eligible for paid holiday(s) when the employee is:

- Absent the day before or the day after the scheduled holiday(s) and the absence is unapproved, and in accordance with Article 9.3.1.4 within this Agreement;
- On Workers' Compensation (Industrial Disability) paid leave. The Employee will continue to receive time loss payments from the Workers' Compensation carrier;
- Absent for six (6) months or more;
- On a voluntary unpaid leave of absence of any duration;
- On a period of absence for which the employee is already receiving full pay from the Company; or,
- On Long-Term Disability (LTD). The employee receives LTD pay through the LTD provider and is not eligible for holiday pay.

*When an employee has an unapproved absence due to treatment at a healthcare provider (doctor's office), urgent care facility, emergency room, or admission to a hospital and the employee provides documentation of such treatment, the employee shall be eligible for holiday pay.

Section 14.7 Holiday Counts as Time Worked

Paid holidays shall be counted as time worked for the purposes of computing overtime if the holiday falls on an employee's scheduled workday. If the holiday falls on an

employee's scheduled day off, it shall be treated the same as a Saturday; i.e., it shall either be observed on another day off in lieu of or be paid at the employee's regular straight-time pay as determined by the Manager.

ARTICLE 15 DISABILITY

Section 15.1 Non-Industrial Disability

15.1.1 Short-Term Disability (Non-Industrial)

- 15.1.1.1 Short-Term Disability (STD) benefits are available to eligible regular employees. Regular employees are to use PTO to cover each absence for the same non-industrial illness or injury lasting up to four (4) consecutive or non-consecutive workdays in a consecutive fourteen (14) calendar day period.
- 15.1.1.2 Qualified absences for eligible full-time regular employees that exceed four (4) consecutive or non-consecutive workdays in a consecutive fourteen (14) calendar day period for the same non-industrial illness or injury are covered under STD subject to the provisions and eligibility requirements of the NW Natural Short-Term Disability Income Protection Plan (STD Plan). For part-time regular employees the elimination period will be prorated based on the actual hours compensated in the two (2) full pay periods prior to the pay period in which the initial absence occurs as compared to a normal two (2) full pay periods of one hundred sixty (160) hours.
- 15.1.1.3 STD income replacement is based on a regular employee's Length of Service, as defined in Article 12.3 within this Agreement, and as follows:

Length of Service	Percentage of Income Replacement
0 to less than 10 years	70%
10 to less than 15 years	80%
15 years and more	85%
Date of hire 1994 and earlier (honored)	100%

- 15.1.1.4 STD benefits are provided to eligible regular employees for as long as they have an accepted disability claim as determined by the disability carrier. However, the maximum period for a STD claim is one hundred eighty (180) consecutive calendar days. All STD requests require documentation from a qualified healthcare provider supporting the

illness/injury. A period of short-term disability may require a qualified healthcare provider's release to return to work when directed by the third-party STD Plan Administrator.

15.1.1.5 Regular employees may elect to supplement their STD income replacement up to one hundred percent (100%) of their regular rate of pay by drawing on their PTO account.

15.1.1.6 For more details regarding STD, including eligibility requirements, refer to the STD Plan summary plan description or contact Human Resources.

15.1.2 Long-Term Disability (Non-Industrial)

15.1.2.1 Long-Term Disability (LTD) benefits are available to eligible regular employees. A qualified disability for eligible regular employees that extends beyond one hundred eighty (180) calendar days will be covered under LTD subject to the provisions and eligibility requirements of the bargaining unit Group Long Term Disability Insurance Program (LTD Plan). The LTD Plan provides income continuation at sixty percent (60%) of the regular employee's pay for as long as disabled, until the regular employee reaches the Maximum Duration of Benefits as outlined in the LTD Plan. Each period of Long-Term Disability requires a qualified healthcare provider's release to return to work as coordinated through the third-party LTD Plan Administrator. For more details regarding LTD, including eligibility requirements, refer to the LTD Plan or contact Human Resources.

15.1.2.2 A regular employee's employment will end on the anniversary date of the first day of absence, as defined in Consecutive Disability Period (per Section 15.5 to this Article). LTD benefits may continue as described above and per the terms of the LTD Plan. Nothing in Article 15 is intended to indicate a guarantee of employment; employment may be ended for other reasons during the year, subject to other provisions of this Agreement.

15.1.2.3 A regular employee whose employment has ended as described in Section 15.1.2.2 to this Article will retain the right to apply for an open and available position as an internal bidder for a time period equal to two (2) years or one (1) month per full year completed from date of hire, whichever is greater, from the date of first absence related to the disability. The employee's Company, Job and/or Line of Progression seniority accumulated as of the last day of employment will be used for bids and awards per Article 4 within this Agreement.

Section 15.2 Workers' Compensation (Industrial Disability)

If an employee is injured on the job, the employee may be eligible for Workers' Compensation benefits, including industrial disability pay. If injured on the job, the employee must contact his or her Supervisor immediately to report the injury and complete any required form(s) in a timely manner. In no case shall an employee receive non-industrial disability pay and industrial disability pay for the same period(s) of time. If for any reason an employee's Workers' Compensation claim is denied, the employee may apply for coverage of the disability using the non-industrial disability programs outlined in Section 15.1.1 and Section 15.1.2 to this Article.

Section 15.3 Workers' Compensation (Industrial Disability) Supplemental Pay Allowance

Industrial disability pay or "time loss" in connection with a Workers' Compensation claim generally begins following a waiting period (currently three [3] days). The Company will compensate the employee during the waiting period with a supplemental allowance equal to the employee's statutory rate of sixty-six and sixty-seven hundredths percent (66.67%) of an employee's regular straight-time pay on a tax-free basis.

Section 15.4 Reemployment and Reinstatement Arising from Industrial Disability

- 15.4.1 If it is determined that a regular employee has ongoing restrictions which prevent him or her from returning to his or her current regular job, the Union and the Company will consider applicable ADA (Americans with Disabilities Act) reasonable accommodations and/or state workers' compensation reemployment or reinstatement provisions to explore options for that employee.
 - 15.4.1.1 Employees on permanent restrictions due to Industrial Disability are encouraged to seek open positions that fit with their restrictions and must follow the bidding process per Article 4 within this Agreement.
 - 15.4.1.2 With joint Union and Management agreement, these employees may be placed into an open position without posting the open position.
- 15.4.2 If a regular Employee exceeds one (1) year of Consecutive Disability Period (as defined in Section 15.5 to this Article) related to the covered industrial disability, the employee's employment will end. Workers' Compensation benefits may continue, subject to eligibility in accordance with applicable Workers' Compensation laws. The regular employee also retains the right to apply for any open and available position for which they meet bidding qualifications as an internal bidder for a time period equal to two (2) years from date of separation of employment. The employee's Company, Job and/or Line of Progression seniority accumulated as of the last day of employment will be used for bids and awards per Article 4 within this Agreement.

- 15.4.3 A regular employee who is placed, awarded, or reemployed in a lower classification per Section 15.4 to this Article shall have his or her pay administered as an Honored Pay Rate Employee subject to provisions in Article 11.4 within this Agreement.
- 15.4.4 A regular employee whose employment is ended per Section 15.4.2 to this Article will be eligible for a COBRA (Consolidated Omnibus Budget Reconciliation Act) subsidy equivalent to the amount and duration provided through the LTD Plan. This subsidy will be adjusted to match the LTD benefit as needed.

Section 15.5 Consecutive Disability Period (Industrial and Non-Industrial)

- 15.5.1 The Consecutive Disability Period starts with the first day of absence for the covered disability and includes time off on STD and/or LTD and/or Workers' Compensation. Any return to work for twenty-nine (29) calendar days or less does not restart or extend this Consecutive Disability Period.
- 15.5.2 The Consecutive Disability Period ends when an employee returns to work, without restriction (with or without accommodation), for a period of thirty (30) or more consecutive calendar days in either the employee's original position or a new regular position. Any subsequent absence related to the same initial disability would start a new Consecutive Disability Period.

Section 15.6 Family and Medical Leave Act and Americans with Disabilities Act (ADA)

As detailed in Article 2.5 within this Agreement, the parties strive to comply with all applicable laws, rules and regulations governing the workplace, including but not limited to the Family and Medical Leave Act (and applicable state law) and the Americans with Disabilities Act (and applicable state law). To the extent applicable laws include exceptions for parties in a collectively bargained relationship, this Section does not address or waive the application of such exceptions.

15.6.1 Family and Medical Leave Act (and Related State Laws)

Federal and State laws permit eligible employees to take unpaid leave in certain circumstances. These laws include, for example, the federal Family and Medical Leave Act (FMLA), the Oregon Family Leave Act (OFLA), the Washington State Family Leave Act (WFLA), the Washington State Family Care Act (WFCA), and the Washington State Military Family Leave Act (WMFLA).

15.6.2 Americans with Disabilities Act (and Related State Laws)

Employees must be able to perform essential job functions with or without reasonable accommodation.

ARTICLE 16 HEALTHCARE

Section 16.1 Employees

The Company shall pay into the Western States Health & Welfare Trust Funds of the OPEIU, hereinafter the Welfare Trust Fund, the costs necessary to establish and maintain coverage for medical, dental, vision, and life insurance benefits for eligible employees through the Welfare Trust Fund, including that percentage specified in Section 16.1.1.3 and Section 16.1.1.5 to this Article as the responsibility of the employee. The terms and conditions of coverage are set forth in the Welfare Trust Fund's plan documents and are not the subject of negotiation between the Union and the Company.

16.1.1 General

16.1.1.1 These Company payments will be made only for eligible employees who are regularly scheduled to work twenty (20) or more hours per week. Term employees are eligible only for the benefits identified in their Term Employee Agreement.

16.1.1.2 For the term of this Agreement the Company will share in the cost of benefits with employees as necessary to provide benefits under the Welfare Trust Fund, on the effective dates and in the amounts described below.

16.1.1.3 Effective with the benefit year beginning January 1, 2020 and for the term of the Agreement, eligible employees shall be responsible for twenty percent (20%) of the cost of the premium. However, if an eligible employee completes the annual health risk assessment and biometric screening prior to the open enrollment period for each year, the employee will only be responsible for fifteen percent (15%) of the total premium. In both cases, the Company will be responsible for the remaining portion of the premium.

16.1.1.4 Health Risk Assessment and Biometric Screenings

The Company will provide employees with (4) options for Biometric Screenings and Health Risk Assessments:

- Onsite screenings at the following Company resource centers: Albany, Mt. Scott, Salem, Appliance Center, One Pacific Square or HQ 250 Taylor, Sherwood, Clark County, Parkrose, Sunset and Eugene.
- A lab voucher and physician form (for assessment through healthcare provider).

- E-Screen
- Home Test Kits

16.1.1.5 The premium share payments for the Company and employees described above are based on composite rates provided by the Welfare Trust Fund and will apply regardless of the number of dependents that the employee enrolls. If the Trustees of the Welfare Trust Fund make alternate rates available during the term of this Agreement, the parties agree to negotiate the impact of any alternate rates.

16.1.1.6 The Company is authorized to deduct from each eligible employee's wages the percentage amount described above as the employee's cost of premium in such amount that is necessary to maintain coverage under the Welfare Trust Fund.

16.1.2 Spouses or Partners Both Working for NW Natural

An employee who is married to, or in a domestic partnership with, a current or former Company employee who is eligible for Company payments to the Welfare Trust Fund will not be required to opt out of coverage, but may elect to opt out. In which case, the employee will be covered under the voluntary provisions of Section 16.1.3 to this Article.

16.1.3 Opt Out Due to Other Coverage

Employees eligible for Company payments to the Welfare Trust Fund may voluntarily opt out of Welfare Trust Fund medical, dental, and vision coverage, provided that they produce evidence of other such coverage. Employees who opt out of coverage will receive a cash payment of three hundred dollars (\$300.00) per month in lieu of Company payments to the Welfare Trust Fund. This monthly cash payment can be applied to other benefits offered by the Company (such as additional life insurance or additional life insurance or additional LTD, subject to the terms of those benefits), deferred into the RKSP 401(k) Plan, taken as cash, and/or directed into the Flexible Spending Account.

16.1.4 Timing of Elections

In any case where an employee can elect a cash payment in lieu of Company payments to the Welfare Trust Fund, the employee's election must be made under, and in compliance with, a cafeteria plan under Section 125 of the Internal Revenue Code, as amended (Code). The provisions of 16.1 to this Article shall be interpreted and applied in a manner that complies with Section 125 of the Code.

Section 16.2 Retirees

16.2.1 **General.** A covered retiree is a former employee who **(i)** is eligible for and elects to retire at or after age sixty (60) with a total of fifteen (15) years of service, under the Retirement Plan and **(ii)** enrolls in retiree coverage through the Welfare Trust Fund. A covered retiree may enroll his or her eligible dependents (as defined by the Welfare Trust Fund). Retiree medical coverage through the Welfare Trust Fund ends when the covered retiree becomes Medicare eligible, currently age sixty-five (65). The Company's obligations under this Agreement is to make payments to the Welfare Trust Fund for retiree medical coverage end on May 31, 2024

16.2.1.1 Effective January 1, 2019, a covered retiree is a former employee who (i) is eligible for and elects to retire at or after age sixty (60) with a total of fifteen (15) years of service, or at or after age fifty-eight (58) with a total of twenty (20) years of service, under the Retirement Plan and (ii) enrolls in retiree coverage through the Welfare Trust Fund. A covered retiree may enroll his or her eligible dependents (as defined by the Welfare Trust Fund). Retiree medical coverage through the Welfare Trust Fund ends when the covered retiree becomes Medicare eligible, currently age sixty-five (65). The Company's obligations under this Agreement is to make payments to the Welfare Trust Fund for retiree medical coverage end on May 31, 2024

16.2.2 Effective January 1, 2020, and for the term of this Agreement, the premium necessary to maintain benefits for each covered retiree under the Welfare Trust Fund shall be paid by the Company and covered retiree, as of the effective date of this Agreement (seventy-five percent [75%] Company/twenty- five percent [25%] Covered Retiree).

16.2.3 The premium share payments for the Company and covered retirees are based on composite rates and will apply regardless of the number of dependents (if any) that the covered retiree enrolls. If the Trustees of the Welfare Trust Fund make alternate rates available during the term of this Agreement, the parties agree to negotiate the impact of any alternate rates.

Retirees with Spouses or Partners Eligible for Company Paid Benefits

16.2.4 Effective January 1, 2015, a Company retiree who is eligible for coverage under the Welfare and Trust Fund will not be required to opt out of coverage but may elect to opt out. In which case, the company retiree will be covered under the voluntary provisions of Section 16.1.3 to this Article.

16.2.5 Exclusion of Certain Employees

Employees hired on or after January 1, 2010, are not eligible for retiree medical coverage under the Welfare Trust Fund or for Company payments to the Welfare Trust Fund. Employees who terminate employment with the Company and who are rehired on or after January 1, 2010, are not eligible for retiree medical coverage under the Welfare Trust Fund or for Company payments to the Welfare Trust Fund. This exclusion applies regardless of the length of the rehired employee's break in Company employment and regardless of whether the rehired employee previously would have been eligible for retiree medical benefits.

ARTICLE 17 OTHER BENEFITS

Section 17.1 Meal Allowance

17.1.1 An employee shall be provided a meal allowance for:

- Working three (3) or more hours beyond the normal shift duration (minimum eight [8] hour shift), except while on per diem;
- Each four (4) hours of continuous overtime beyond the original three (3) hours;
- Unplanned Shift Change without at least three (3) hours advance notice to provide for a meal, unless the employee is already at the reporting location or in the process of commuting in an assigned Company vehicle; or,
- After four (4) consecutive hours of work on a Call-In.

17.1.2 Employees who work beyond the minimum overtime required to earn a meal allowance shall be paid for one-half ($\frac{1}{2}$) hour to eat the meal. The one-half ($\frac{1}{2}$) hour will be paid one (1) time per continuous work period whether the employee breaks to eat the meal or works straight through to complete the work.

17.1.3 Effective December 1, 2019, the meal allowance is twenty-two dollars and ninety cents (\$22.90). The meal allowance will be adjusted annually by the same percentage adjustment made to the per diem rate, if any. The dollar amount of meals will be recalculated annually by indexing it to the Government Services Administration's per diem rate for the State of Oregon as described in Section 17.2.2 of this Article.

Section 17.2 Per Diem

- 17.2.1 An employee shall be provided per diem for each day the employee is temporarily assigned job duties away from the regular work area which requires an overnight stay, including the first and last scheduled workdays. Such allowance shall include all personal expenses other than lodging and travel, and is provided to cover such items as meals, tips, personal phone calls, and local transportation. Meal allowances are not provided when the employee receives per diem.
- 17.2.2 Effective December 1, 2019, the per diem rate is sixty-four dollars (\$64.00). The per diem rate will be adjusted annually by averaging the Government Services Administration's State of Oregon rates as published on the web site (www.gsa.gov). This per diem rate will be adjusted not less than thirty (30) days after publication by averaging the Meals and Incidental rate column for the close of the government fiscal year, published approximately October of each year for the following twelve (12) month period.

Section 17.3 Compensation for Travel

Employees will be compensated for travel and mileage. Federal applicable state wage and hour regulations apply as a minimum in these situations, absent an agreement between the Union and the Company.

17.3.1 Paid Travel Guidelines

Paid travel is to be completed during regular scheduled working hours if possible. With the appropriate advance notice, an employee's schedule can be changed to accommodate travel time. (To determine if an Unplanned Shift/Schedule change, see Article 6.1.3 within this Agreement).

- a. Paid travel at a time other than the employee's regular scheduled working hours must be pre-approved by Management.
- b. Paid travel time shall be counted as time worked for the calculation of overtime. To determine appropriate pay, refer to Article 11.6.1 within this Agreement for overtime calculation with the exception that travel on Sundays or holidays is not automatically paid at two (2) times the regular rate.
- c. Paid travel time is eligible for applicable premium pay.
- d. For standard travel times and mileage between Company-based locations, refer to the Hub. Travel times and mileage between locations other than Company-based locations will be calculated by management utilizing the method used by the Labor/Management Committee (LMC) [e.g., currently GoogleMaps].
- e. When applicable, mileage reimbursement will be paid in accordance with the Company's Mileage Reimbursement Policy.

- f. A Company vehicle may be temporarily or permanently assigned to employees for “drive home” use based on business needs.

17.3.2 Travel within Company Territory Requiring Overnight Stay

The Company will provide lodging when an overnight stay is required.

- a. If the employee requests and Management agrees, the employee may travel on a normal day off ahead of the desired reporting day to the temporary reporting location. Under these circumstances, the Company will provide lodging for that day and time spent traveling to the temporary location will be compensated as time worked based on the calculated travel time from the employee’s Company-based location to the temporary reporting location. Per diem will not be provided for that day.
- b. Employees returning home on the last day of a work assignment will be paid for time worked that day including the standard time to drive from the temporary reporting location to the employee's Company-based location. They will also receive per diem for that day.
- c. If an employee uses a personal vehicle to commute to and from the temporary reporting location, mileage reimbursement will be provided for that commute based on the standard mileage between the employee’s Company-based location and the temporary reporting location.

17.3.3 Travel Outside Company Territory

The Company may ask employees to travel to training or other events outside of the territory. Such travel can normally be completed within an eight (8) hour timeframe, but due to unforeseen circumstances (e.g., weather or mechanical delays) may exceed this time.

- a. All travel arrangements, including scheduled travel day, and itinerary, are to be mutually agreed to by the employee and Management prior to travel.
- b. Paid travel time for travel outside of scheduled working hours shall be up to a maximum of eight (8) hours per day in addition to any time already worked that day, unless otherwise required by applicable law.
- c. Travel time is only those hours spent in transit to or from the travel destination.
- d. Company Policy “Business Travel Procurement and Expense Reimbursement” also applies for travel arrangements outside NWN territory.

17.3.4 **Voluntary Travel Alternatives**

Travel alternatives at the employee's discretion (mode of travel, early arrival or late departure for personal reasons) must be mutually agreed upon by the employee and Management. Such travel should be cost neutral to the Company.

When voluntary travel arrangements result in missed work days, those days will be charged to Paid Time Off (PTO).

Section 17.4 Transportation

17.4.1 Basis of Allowance

Employees who use their personal vehicles for Company business shall be compensated at the rate authorized by the Company, taking into consideration the rate established by the Internal Revenue Service (IRS).

17.4.2 Parking

The Company has no obligation to provide employee parking, but will make parking available to the extent possible.

17.4.3 Transit Passes

Headquarters-based bargaining unit employees shall be provided transit passes (TriMet passes for Oregon residents and C-Tran passes for Washington residents who commute using C-Tran), at no cost to the employee.

Section 17.5 Jury Duty

17.5.1 Employees will receive their regular straight-time rate of pay while serving on jury duty, provided the employee has:

- Promptly notified a designated Company representative and presented a legally enforceable subpoena,
- Requested a transfer to a Monday through Friday Day Shift schedule, if applicable, and
- Called a designated Company representative on weekdays when excused from jury duty to determine whether to report to work.

17.5.2 Employees shall retain any compensation paid by the court while performing this civic function.

Section 17.6 Recognition Programs

In recognition of employee flexibility and support of continuous operations, departments or workgroups may develop recognition programs. Any new recognition programs are subject to approval of the LMC Leadership Team.

Section 17.7 Paid Parental Leave Benefits

Regular employees who have completed one (1) year of service and are regularly scheduled to work twenty (20) or more hours per week are eligible for Paid Parental Leave following the birth or adoption of a child. Eligible full-time employees qualify for one hundred and twenty (120) hours of Paid Parental Leave.

Eligible employees who are typically scheduled to work between twenty (20) to thirty-nine (39) hours per week will receive a pro-rated benefit, based on their weekly schedule. Additional details are provided in the Company's Paid Parental Leave policy.

- 17.7.1 If and when any new state or federal laws are passed that include a requirement for Employers to provide additional paid or unpaid leave, the parties agree to meet and discuss total paid leave allocation.
- 17.7.2 Eligible employees should provide thirty (30) days' advance notice or as much advance notice as practicable under the circumstances when requesting paid parental leave. Any paid parental leave provided will run concurrently with leave taken under applicable state or federal leave laws.
- 17.7.3 **Rate of Pay**

The rate of pay for Paid Parental Leave shall be computed in the same manner as PTO as described in Article 12.5 within this Agreement.

Section 17.8 Personal Protective Equipment (PPE)

17.8.1 FR (Fire Resistant) Clothing Allowance

Newly hired or rehired field employees who are required to wear FR clothing shall receive one thousand eight hundred dollars (\$1,800.00) for the purchase of approved FR clothing.

- 17.8.2 All field employees who are required to wear FR clothing shall receive an allowance, to be spent annually, of seven hundred and fifty dollars (\$750.00) for the purchase of approved FR clothing, effective January 1, 2020.

- 17.8.3 Employees have the obligation to take reasonable care of FR clothing. Employees are responsible for laundering. Employees may receive replacement of damaged FR clothing due to unanticipated work-related situations with Supervisor approval.

17.8.4 Footwear Protection Allowance

Employees required to wear safety footwear shall be provided up to two hundred and fifty dollars (\$250.00) per calendar year for either purchase or refurbishment of boots (e.g., boot rebuilds or toe guards).

17.8.5 Prescription Safety Glasses

Employees requiring prescription safety glasses receive up to four hundred dollars (\$400.00) for two (2) pairs of prescription safety glasses during their initial year in the program, and thereafter an annual allowance of up to two hundred dollars (\$200.00) for replacement prescription safety glasses.

ARTICLE 18 RETIREMENT PLANS

Section 18.1 Bargaining Unit Employees' Retirement Plan (Retirement Plan)

The Company shall continue to maintain the Retirement Plan. The Company will make contributions to the Retirement Plan in amounts determined by the Company in consultation with an enrolled actuary, that are sufficient on a sound actuarial basis to provide for the payment of benefits.

18.1.1 Regular employees employed on or before December 31, 2009, are eligible to participate in the Retirement Plan to the extent provided for in the written terms and conditions of the Retirement Plan. Term employees are eligible only for the benefits described in the Term Employee Agreement. Term employees are not eligible to participate in the Retirement Plan.

18.1.2 Regular employees hired on or after January 1, 2010, are not eligible to participate in the Retirement Plan. Regular employees who terminate employment with the Company and who are rehired on or after January 1, 2010, are not eligible to participate in, or to accrue any additional benefits under, the Retirement Plan. This exclusion applies regardless of the length of the rehired employee's break in Company employment and regardless of whether the rehired employee previously participated in the Retirement Plan.

Section 18.2 Retirement K Savings Plans (RKSP 401(k) Plan)

18.2.1 Retirement K Savings Plan (RKSP 401(k) Plan)

Except as provided in this Agreement, all bargaining unit employees shall be eligible to participate in the RKSP 401(k) Plan under the terms and conditions set forth in the RKSP 401(k) Plan document. For purposes of Section 18.2 to this Article, employees participating in the RKSP 401(k) Plan shall be referred to as "RKSP

Participants.” During the term of this Agreement, the Company will make a cash matching contribution each pay period on behalf of each RKSP Participant who has made elective deferrals to the RKSP 401(k) Plan during that pay period.

18.2.1.1 During the term of this Agreement, beginning with the first pay period of 2020, the matching contribution shall be equal to fifty percent (50%) of the RSKP participant’s elective deferrals (excluding catch-up contributions under Code Section 414(v)) for the pay period, but disregarding elective deferrals exceeding eight percent (8%) of the RKSP Participant’s compensation, as defined in the RKSP 401(k) Plan, for the pay period.

18.2.1.2 Term employees are eligible only for the benefits identified in their Term Agreements.

18.2.2 Enhanced RKSP 401(k) Plan Contributions for Employees Hired or Rehired On or after January 1, 2010

For employees hired or rehired on or after January 1, 2010 who are eligible to participate in the RKSP 401(k) Plan, the Company will separately contribute four percent (4%) of the employee’s compensation for each plan year to the RKSP 401(k) Plan account (Enhanced RKSP 401(k) Plan Benefit). This Enhanced RKSP 401(k) Plan Benefit is available only to employees hired or rehired on or after January 1, 2010 as they are not eligible to participate in the Retirement Plan.

**ARTICLE 19
EMPLOYEE STOCK PURCHASE PLAN**

Employees are eligible to participate in the Company's Employee Stock Purchase Plan ("ESPP") according to the terms and conditions set forth in the written ESPP document. The Company shall continue to have sole discretion to determine the terms and conditions of the ESPP applicable to employees, including contributions, benefits and administrative provisions. The Company retains the right to terminate the ESPP at any time and will notify the Union of such decision prior to its implementation. Term employees are eligible only for the benefits identified in their Term Agreements.

**ARTICLE 20
PROGRESSIVE DISCIPLINE**

Section 20.1 General

The Company reserves the right to discipline or terminate any employee for just cause and to determine the appropriate level of discipline based on the facts and circumstances presented. The employee has the right to Union representation in

disciplinary matters. Notwithstanding the inclusion of just cause, the Union and the Company agree to a reasonable person standard to determine what's right, not who's right, in matters of discipline. To ensure the reasonable person standard is adhered to, discipline defense based purely on just cause must be approved by the Executive Secretary-Treasurer of OPEIU Local 11 or his or her designee.

20.1.1 **New Hire Probationary Periods**

Any probationary new employee can be terminated for any reason without intervention by the Union and without right of appeal to the Grievance and Mediation/Arbitration Process in Article 21 within the Agreement.

20.1.2 **Progressive Discipline**

Regular employees may be disciplined in the form of a Documented Verbal Warning, Disciplinary Action Plan, suspension, or termination for just cause.

Section 20.2 Definitions

20.2.1 **Documented Verbal Warning (DVW)**

A disciplinary document a Manager or Supervisor may use that identifies in writing an employee's performance problems or other conduct that requires correction.

20.2.2 **Disciplinary Action Plan (DAP)**

A written disciplinary document a Manager or Supervisor may use that states specific performance problems or conduct requiring correction and requires that the employee fully correct the problem within a specified period of time.

20.2.2.1 **Suspension**

A disciplinary suspension is unpaid and may be used by a Manager or Supervisor in conjunction with a Disciplinary Action Plan (DAP).

Section 20.3 Disciplinary and Investigatory Meetings

During a disciplinary or investigatory meeting, an employee shall be afforded Union representation as associated with Weingarten Rights, upon the employee's request. The Company shall notify the appropriate representative of the Union (e.g., Steward, Chief Steward, Union Representative) and provide a reasonable period of time to be available for the meeting.

Employees shall be advised of their right to Union representation during any investigatory interview or meeting which could reasonably be expected to lead to disciplinary action.

Section 20.4 Process

Progressive discipline shall normally include the following steps:

20.4.1 Documented Verbal Warning (DVW)

Supervisor is to keep the original in the supervisory file. A copy will be provided in accordance with Section 20.5 to this Article. Documented Verbal Warnings shall remain in effect for no more than two (2) years, at which time they shall be considered removed from the employee's supervisory file.

20.4.2 Disciplinary Action Plan (DAP)

Copies of the DAP will be sent to Human Resources to be placed in the employee's personnel file and copies provided in accordance with Section 20.5 to this Article. Typically, a DAP will be in effect for up to one hundred and eighty (180) calendar days. Duration of DAPs longer than one hundred and eighty (180) calendar days must be signed by the Manager and the Union Representative.

Five (5) years after the satisfactory completion of a DAP, it will be considered moved from the employee's personnel file to the employee's "employee history file," provided no additional DAPs have been issued to the employee. This "employee history file" will be retained in Human Resources and will be considered a part of the employee's personnel record.

20.4.3 In case of a suspension or termination, the Company agrees that the employee and the Union shall be provided written documentation setting forth the reason(s) for such action, and in accordance with Section 20.5 to this Article. Employees are entitled to Union representation at such meetings.

20.4.4 Employees will be required to acknowledge receipt in writing of any disciplinary action; which the employee's signature shall not be construed as agreement or concurrence with the discipline; and in accordance with Section 20.5 to this Article.

Section 20.5 Distribution of Documents

Copies of DVWs, DAPs, Suspensions, and Terminations will be provided to the employee, Steward, Chief Steward and the Union Office.

Section 20.6 Repetition of Infraction

Repetition of the infraction or failure to complete an action plan within the time specified may lead to further discipline up to and including termination.

Section 20.7 Discipline

As stated in Section 20.1 to this Article, any infraction may also warrant an immediate DAP, suspension, or termination.

Section 20.8 Bidding

Bidding on positions, advancing in a Line of Progression, or Progression without Bidding may be affected as a condition of progressive discipline.

Section 20.9 Grievance

The employee may file a written grievance appealing disciplinary action per Article 21 within this Agreement.

ARTICLE 21 GRIEVANCE AND MEDIATION/ARBITRATION PROCESS

Section 21.1 Introduction

The Grievance Process is limited to matters of discipline and unresolved Issue Resolution items, and in accordance with Section 21.3 to this Article. This Grievance Process is established on the premise of trust, respect and the mutual goal of resolving differences at the earliest opportunity and appropriate level. It is not intended to be a substitute for direct dialogue between employee and Supervisor or to be used for events covered by the Issue Resolution Process as per Article 10 to this Agreement.

Section 21.2 Timelines

When computing deadlines under this Article, the day which triggers the deadline (contract violation, receipt of grievance, etc.) shall not be included. "Working days" means Monday through Friday, excluding holidays. Filing and response time limits shall be met by mailing, e-mail, hand delivery or facsimile transmission. Receipt shall be considered to be the date of actual receipt.

The time limits prescribed herein may be waived or extended by mutual agreement, in writing by the Steward, Chief Steward, or the Union in a class grievance or in a non-class grievance, and the appropriate Company representative at each step.

- 21.2.1 A grievance not brought within the time limit prescribed for every step shall be considered settled on the basis of the Company's last decision received by the Steward, Chief Steward, or the Union. A grievance or complaint not responded to by the Company representative may be moved to the next step in the procedure.

Section 21.3 Written Grievance

A written grievance shall be signed and dated and indicate the step at which it is being filed. Grievances not meeting the requirements of this Section shall not be considered officially filed or may not be moved to the next step until missing information is provided. Grievances or responses to grievances missing information may be referred to the LMC Co-Chairs or timelines can be extended in accordance with Section 21.2 to this Article.

Written grievances and responses at all levels shall address, at a minimum, the following points:

- 21.3.1 The statement of the grievance/response and the facts upon which it is based;
- 21.3.2 Signed by the grievant and the represented parties involved;
- 21.3.3 A statement of the specific provision(s) of the Agreement that is (are) the basis of the grievance/response;
- 21.3.4 The manner in which the provision is purported to have been violated, misapplied, or misinterpreted (or in which the provision supports the response);
- 21.3.5 The date or dates on which the alleged violation, misinterpretation, or misapplication occurred; and
- 21.3.6 The specific remedy sought or offered.

Section 21.4 Grievance Process

- 21.4.1 A grievance can be initiated in the following ways:
- 21.4.1.1 If the concern is about discipline, it should start at Level 1 in the grievance process.
- 21.4.1.2 If the grievance is related to an employee's involuntary termination, Level 1 and Level 2 of the grievance process will be bypassed and the grievance process will start at Level 3 in accordance with this Article.

21.4.1.3 The concern may be referred from the issue resolution process at the discretion of the LMC Co-Chairs. In these instances, the LMC Co-Chairs may elect to bypass Levels 1 and 2 of the grievance processes.

21.4.2 Grievances may necessitate meeting more than once at any particular level or obtaining information from additional sources; however, each level will be addressed in an expedient manner.

For grievances that start in the Grievance Resolution Process, the Steward and the Supervisor should first meet informally to understand and potentially resolve the unfiled grievance.

For grievances referred through the Issue Resolution Process, it is required that the Issue Resolution Committee write up what was agreed to, what the parties were unable to agree to, and narrowly describe the open question that has not been resolved.

21.4.3 **Level 1 – Process**

Participants: Employee, Steward(s) or representative of the Union, and the first line Supervisor or their designee.

Procedure: The Union Steward has ten (10) working days to file a formally documented grievance for the employee(s) or on behalf of the employee(s) from the event or knowledge of the event and should be submitted to the Supervisor of the employee(s).

The Supervisor will schedule a meeting with the Steward to occur within five (5) working days of receiving the documented grievance to potentially resolve the grievance. Resolved and unresolved outcomes of the grievance resolution meeting will be documented.

Copies will be sent to the Union office and the Chief Steward by the Steward, and to Human Resources and the Manager by the Supervisor within ten (10) working days from the Level 1 meeting. Unresolved Grievances will enter the Level 2 process.

21.4.4 **Level 2 – Process**

Participants: Individuals involved in Level 1 plus Chief Steward and Manager(s) responsible for department (or representative) and any Subject Matter Expert (SME) needed to reach resolution.

Procedure: Within ten (10) working days of receipt of the unresolved Level 1 grievance filing, the Manager (or designee) will schedule a meeting with the Chief Steward; this meeting is to occur at a mutually agreeable time.

Resolved outcomes of the grievance resolution meeting between the Chief Steward and the Manager will be documented. Copies will be sent to the Union office by the Chief Steward and to Human Resources by the Manager within ten (10) working days from the Level 2 meeting.

Unresolved grievances, within ten (10) working days from the Level 2 meeting, will be documented with recommendations and forwarded by the Manager and Chief Steward to the LMC Co-Chairs (or designee) for review and recommended action prior to entering the Level 3 process.

21.4.5 **Level 3 – Process**

Participants: LMC Co-Chairs; and as needed, the Chief Steward and the Department Manager.

Procedure: LMC Co-Chairs shall review the grievance, and meet to discuss said grievance within ten (10) working days of receipt of the grievance, and determine a resolution within fifteen (15) working days of receiving the Level 2 grievance meeting documentation.

If the grievance is not resolved by the LMC Co-Chairs, it shall be submitted in writing to the LMC Executive Sponsors within five (5) business days from the Level 3 grievance meeting for continued discussion or consideration of next steps.

All Level 3 documented resolutions must be approved by the Company's Executives responsible for labor relations and the Executive Secretary-Treasurer of OPEIU Local 11, or their designees. Resolutions reached at this level will be final and binding on both parties and documentation will be forwarded to the filing parties within ten (10) working days of the decision.

21.4.6 All timelines above may be extended by mutual agreement of the Union and the Company. If extended, notification will generally be provided to all parties along with status and anticipated action within three (3) working days of the decision to extend, or as soon as possible thereafter.

Section 21.5 Mediation and Arbitration

21.5.1 If the grievance cannot be resolved at Level 3, the Union and the Company may, by mutual agreement, seek the assistance of the Federal Mediation and Conciliation Service in a non-binding attempt to resolve the dispute. Mediation communications are not admissible in arbitration.

- 21.5.2 In the event the grievance has not been settled, the Union or the Company may seek arbitration. The Arbitrator shall be selected by Union and Company representatives from a panel obtained from the Federal Mediation and Conciliation Service or as otherwise mutually agreed by the parties. The authority of the Arbitrator is limited to interpreting the express provisions of this Agreement or related terms and conditions of employment of covered employees. The decision of such arbitrator shall be final and binding upon both parties. The parties shall each pay their own fees and costs, and each shall pay one-half (½) of the Arbitrator's fees and any other joint costs of the arbitration.
- 21.5.3 Nothing in this Article precludes a party from withdrawing a grievance at any time with written notification to the Union office and to Human Resources.

ARTICLE 22 SEPARABILITY OF PROVISIONS

If any provision of this Agreement shall be found to be invalid by any court having jurisdiction in respect thereof, such finding as to such provision shall not affect the remainder of this Agreement, and all other terms and provisions hereof shall continue in full force and effect as set forth herein. If the provision is found to be invalid by the court having final jurisdiction in respect thereof, the parties shall promptly negotiate and endeavor to reach agreement upon a suitable substitute for said provision.

Nothing in this Collective Bargaining Agreement shall be interpreted or enforced to cause a violation of any applicable Federal, State, or local law or regulation.

ARTICLE 23 TERM OF THE AGREEMENT AND METHOD OF REOPENING

The Collective Bargaining Agreement and all terms and provisions hereof shall be and continue in effect from and after the date first written hereof until midnight on May 31, 2024, and until May 31st from year to year thereafter until and unless either party shall have served written notice to the other party at least sixty (60) calendar days prior to said May 31, 2024, or prior to any May 31st thereafter stating that it desires to negotiated modifications or to terminate this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in duplicate by their respective officers, thereunto duly authorized.

NORTHWEST NATURAL GAS COMPANY

**OFFICE & PROFESSIONAL EMPLOYEES
INTERNATIONAL UNION, LOCAL-11, AFL-CIO**

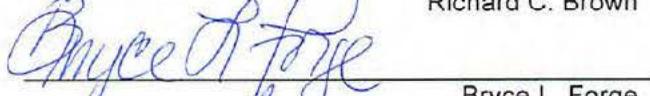
By 
Larry R. Buchanan

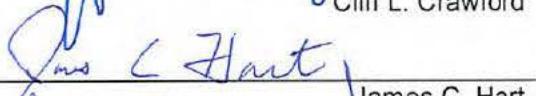
By 
Howard D. Bell

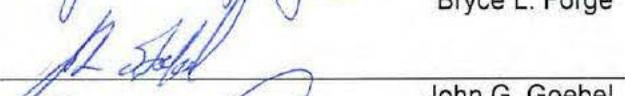

Cari L. Colton

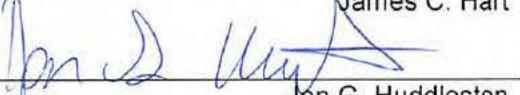

Richard C. Brown


Cliff L. Crawford

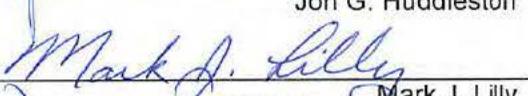

Bryce L. Forge

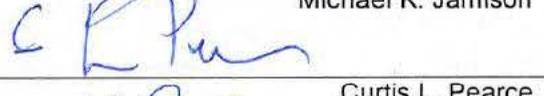

James C. Hart


John G. Goebel


Jon G. Huddleston


Michael K. Jamison


Mark J. Lilly

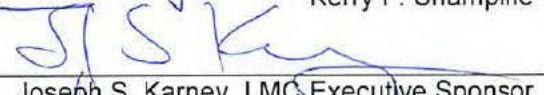

Curtis L. Pearce


Darcy D. Noxon

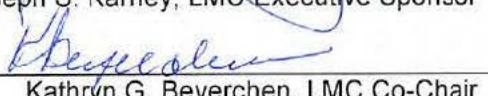

Ernest H. Pech

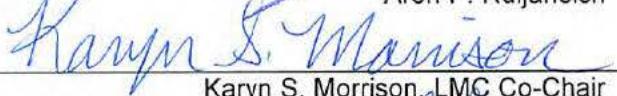

Kerry F. Shampine

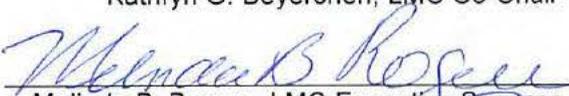

Lorelei M. Ricketts

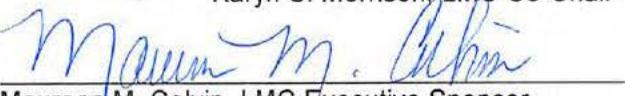

Joseph S. Karney, LMC Executive Sponsor

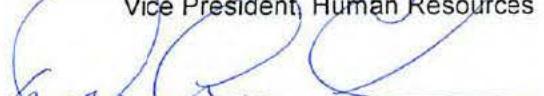

Aron P. Ruljancich


Kathryn G. Beyerchen, LMC Co-Chair


Karyn S. Morrison, LMC Co-Chair


Melinda B. Rogers, LMC Executive Sponsor
Vice President, Human Resources


Maureen M. Colvin, LMC Executive Sponsor
Executive Secretary-Treasurer


David Anderson
President and Chief Executive Officer


MardiLyn Saathoff
Senior Vice President and General Counsel

Schedule A – Job Titles by Pay Group

Pay Group	Job Title (<i>Position Title</i>)	Pay Group	Job Title (<i>Position Title</i>)
A	Comms & Control Technician 2 Construction 4 (<i>Transmission Foreman/woman</i>) Journeyman Electrician	F	Accounting 4 *Construction 1 (<i>Pipe Fuser</i>) Customer Service 4 Meter & Reg Shop 2 Specialty Construction 1 Stores 3 (<i>Head Storekeeper</i>) Stores 3 (<i>Storekeeper - Delivery</i>) Stores 3 (<i>Storekeeper - Transportation</i>)
B	Comms & Control Technician 1 Construction 3 (<i>Distribution Foreman/woman</i>) *Corrosion Technician Customer Field Service 4 (<i>Industrial Tech</i>) Gas Storage 2 (<i>Chief Operator</i>) System Ops 2 Transmission Maintenance 2 *Weld & Fab 4 (<i>Mechanic Welder</i>)	G	Building Maintenance Technician Graphics 2 Stores 2 (<i>Storekeeper</i>) Technical Coordinator 3 Weld & Fab 1 (<i>Body Repair Tech</i>)
C	Customer Field Service 3 (<i>Commercial Tech</i>) Field Support 3 (<i>Field Engineering Tech</i>) General Services 4 (<i>Sr Machinist</i>) Leakage Inspector Transportation 4 (<i>Auto Shop Foreman/Woman</i>)	H	Accounting 3 Computer Support 1 Customer Field Service 1 Honored Customer Service 3 Graphics 1 Meter & Reg Shop 1 Technical Coordinator 2 Transportation 2 (<i>Lube Tech Specialist</i>) Utility Support 3 (<i>Field Maint Worker</i>)
D	*Customer Field Service 2 (<i>Service Tech</i>) Field Support 2 (<i>Field Measurement Tech</i>) Gas Storage 1 (<i>Plant Operator</i>) General Services 3 (<i>Machinist</i>) Specialty Construction 2 Weld & Fab 3 (<i>Sr Fabricator</i>)	I	Operational Support 3
E	Construction 2 (<i>Pipe Welder Fitter</i>) Field Support 1 (<i>Field Data Tech</i>) Fire & Safety Technician General Services 2 (<i>Maintenance Tech</i>) Graphics 3 Meter & Reg Shop 3 Semi & Crane System Ops 1 Transmission Maintenance 1 Transportation 3 (<i>Auto Mechanic</i>) Weld & Fab 2 (<i>Fabricator</i>)	J	Accounting 2 Customer Service 2 Office Services 2
		K	Operational Support 2 Transportation 1 (<i>Garage Attendant</i>)
		L	Accounting 1 General Services 1 (<i>Delivery Driver</i>) Office Services 1 Stores 1 (<i>Warehouse Worker</i>)
		M	Customer Service 1 Operational Support 1 Utility Support 2 (<i>AMR Driver</i>)
		N	Currently no positions
		O	Utility Support 1 (<i>Motor Messenger</i>)

*Designates job titles with additional pay steps

Schedule B – Wage Scale

Pay Group	Step Description	Dec 2019 Wage Rate Structure Move	Dec 2019 Wage Rate with 1.5% Increase	June 2020 Wage Rate with 2.0% Increase	June 2021 Wage Rate with 3.5% Increase	June 2022 Wage Rate with 3.5% Increase	June 2023 Wage Rate with 3.5% Increase
A	Experienced	\$46.40	\$47.09	\$48.03	\$49.71	\$51.45	\$53.25
A	Entry	\$44.54	\$45.20	\$46.10	\$47.71	\$49.38	\$51.11
B	Experienced	\$43.57	\$44.22	\$45.10	\$46.68	\$48.31	\$50.00
B	Entry	\$41.82	\$42.45	\$43.29	\$44.81	\$46.37	\$48.00
B	3 - Training	\$39.21	\$39.79	\$40.59	\$42.00	\$43.47	\$44.99
B	2 – Training	\$37.03	\$37.58	\$38.33	\$39.66	\$41.05	\$42.49
B	1 – Training	\$34.85	\$35.37	\$36.08	\$37.33	\$38.64	\$39.99
C	Experienced	\$40.92	\$41.53	\$42.36	\$43.84	\$45.38	\$46.97
C	Entry	\$39.28	\$39.86	\$40.66	\$42.08	\$43.56	\$45.08
C	3 - Training	\$36.82	\$37.37	\$38.12	\$39.45	\$40.83	\$42.25
C	2 – Training	\$34.78	\$35.30	\$36.00	\$37.26	\$38.56	\$39.90
C	1 – Training	\$32.73	\$33.22	\$33.88	\$35.07	\$36.29	\$37.56
D	Experienced	\$38.43	\$39.00	\$39.78	\$41.17	\$42.61	\$44.10
D	Entry	\$36.89	\$37.44	\$38.18	\$39.52	\$40.90	\$42.33
D	3 - Training	\$34.58	\$35.10	\$35.80	\$37.05	\$38.34	\$39.69
D	2 – Training	\$32.66	\$33.15	\$33.81	\$34.99	\$36.21	\$37.48
D	1 – Training	\$30.74	\$31.20	\$31.82	\$32.93	\$34.08	\$35.28
E	Experienced	\$36.09	\$36.63	\$37.36	\$38.67	\$40.02	\$41.42
E	Entry	\$34.64	\$35.16	\$35.86	\$37.12	\$38.41	\$39.76
F	Experienced	\$33.89	\$34.39	\$35.07	\$36.30	\$37.57	\$38.88
F	Entry	\$32.53	\$33.01	\$33.66	\$34.84	\$36.06	\$37.32
F	3 - Training	\$30.50	\$30.95	\$31.56	\$32.66	\$33.80	\$34.98
F	2 – Training	\$28.80	\$29.23	\$29.80	\$30.84	\$31.92	\$33.03
F	1 – Training	\$27.11	\$27.51	\$28.05	\$29.03	\$30.04	\$31.09
G	Experienced	\$31.83	\$32.30	\$32.94	\$34.09	\$35.29	\$36.52
G	Entry	\$30.25	\$30.68	\$31.29	\$32.39	\$33.52	\$34.69
H	Experienced	\$29.75	\$30.19	\$30.79	\$31.87	\$32.98	\$34.14
H	Entry	\$28.26	\$28.68	\$29.25	\$30.27	\$31.33	\$32.43

continued on next page

Pay Group	Step Description	Dec 2019 Wage Rate Structure Move	Dec 2019 Wage Rate with 1.5% Increase	June 2020 Wage Rate with 2.0% Increase	June 2021 Wage Rate with 3.5% Increase	June 2022 Wage Rate with 3.5% Increase	June 2023 Wage Rate with 3.5% Increase
I	Experienced	\$27.80	\$28.21	\$28.77	\$29.78	\$30.82	\$31.90
I	Entry	\$26.42	\$26.79	\$27.33	\$28.29	\$29.28	\$30.30
J	Experienced	\$25.97	\$26.35	\$26.87	\$27.81	\$28.78	\$29.79
J	Entry	\$24.69	\$25.03	\$25.52	\$26.41	\$27.34	\$28.29
K	Experienced	\$24.05	\$24.41	\$24.89	\$25.76	\$26.66	\$27.60
K	Entry	\$22.86	\$23.18	\$23.64	\$24.47	\$25.32	\$26.21
L	Experienced	\$22.27	\$22.60	\$23.05	\$23.86	\$24.69	\$25.56
L	Entry	\$21.16	\$21.47	\$21.89	\$22.66	\$23.45	\$24.27
M	Experienced	\$20.62	\$20.92	\$21.31	\$22.08	\$22.85	\$23.65
M	Entry	\$19.58	\$19.87	\$20.26	\$20.96	\$21.69	\$22.44
N	Experienced	\$19.09	\$19.37	\$19.75	\$20.44	\$21.15	\$21.89
N	Entry	\$18.13	\$18.40	\$18.76	\$19.41	\$20.09	\$20.79
O	Experienced	\$17.67	\$17.93	\$18.28	\$18.92	\$19.58	\$20.27
O	Entry	\$16.79	\$17.03	\$17.36	\$17.96	\$18.59	\$19.23

CASE: UG 388
WITNESS: HEATHER COHEN

**PUBLIC UTILITY COMMISSION
OF
OREGON**

STAFF EXHIBIT 406

**Exhibits in Support
Of Opening Testimony**

April 17, 2020

NWN UG 388
Calculation of PUC 3-Year Wage Formula
Actual 12/31/2018 to Proforma 10/31/2021

Explanation: Staff's proposal adjusts NWN's test period base wages and salaries in accordance with guidelines followed in previous rate cases. Hence, Staff allows wages and salaries (excluding union wages) to increase based on published CPI projections, and then allows the company to share 50/50 the lesser of the difference between the company's & Staff's calculated projections, or a 10% band around Staff's calculated projection. Union wages are increased at the contracted amounts as the negotiations are considered to be conducted at "arms length."

Line No.	Source		Officers	Exempt	Non Exempt	Union	Total
1	SDR 92	Actual Base Payroll (2018) calendar year	\$4,325,784	\$50,226,757	\$1,287,222	\$43,531,039	\$99,370,802
2	SDR 92	Ave. # of Employees (FTE) (2018)	12	490	18	623	1143.0
3	(1)/(2)	Average Salary	\$348,251	\$102,492	\$72,980	\$69,891	
4	Actual/Forecast CPI Index*	Allowable % Increase	1.0510 ¹	1.0510 ¹	1.0510 ¹	1.0655 ²	
5	DR 282	Ave. # of Employees (FTE) (Test Year)	10.00	536.60	17.00	629.38	1192.98
6	(3)*(4)*(5)	Projected Payroll	\$3,660,136	\$57,802,410	\$1,303,933	\$46,868,875	\$109,635,355
7	DR 282	Test Period Payroll	\$3,542,754	\$60,792,579	\$986,112	\$49,105,488	\$114,426,932
8	(7)-(6)	Total Difference for Sharing	\$0	\$2,990,168	\$0	\$2,236,613	\$5,226,781
9	(7)*.10	10% Band - Allowable	\$0	\$5,780,241	\$0	\$4,686,888	
10	[(8) or (9)] *0.5	50% Sharing of Lesser of Difference or Band	\$0	\$1,495,084	\$0	\$1,118,306	
11	(6)+(10)	Staff Proposed Level	\$3,542,754	\$59,297,494	\$986,112	\$47,987,182	\$111,813,541
12	(11)-(7)	Net Payroll Adjustment	\$0	(\$1,495,084)	\$0	(\$1,118,306)	(\$2,613,391)
13	SDR 93	O&M Expense as % of Payroll Exp	63.40%	63.40%	63.40%	63.40%	63.40%
14	SDR 93	O&M Expense Adjustment - System wide	\$0	(\$947,883)	\$0	(\$709,006)	(\$1,656,890)
15	SDR 93	Oregon Allocation Factor	0.893	0.893	0.893	0.893	0.893
16	(14)*(15)	O&M Expense Adjustment -Oregon	\$0	(\$846,460)	\$0	(\$633,143)	(\$1,479,602)
17	SDR 93	Rate Base as % of Payroll Exp	36.600%	36.60%	36.60%	36.60%	36.60%
18	(12)*(17)	Rate Base Adjustment - System wide	\$0	(\$547,201)	\$0	(\$409,300)	(\$956,501)
19	(18)*(15)	Rate Base Adjustment - Oregon	\$0	(\$488,650)	\$0	(\$365,505)	(\$854,155)

¹Source - OR Dept. of Admin Svcs, Office of Economic Analysis

²Oregon Economic & Revenue Forecast March 2020, Volume XL, No. 1, Table A.4, page 41 (for 2018-2019)

³Actual All Urban Consumer Price Index

2019	1.8%
2020	1.8%
Through 10/31/2021	1.4%
	1.0510

⁴SDR 189, union contract, page 57

2019	1.50%
2020	2.00%
Through 10/31/2021	2.92%
	1.0655

CASE: UG 388
WITNESS: HEATHER COHEN

**PUBLIC UTILITY COMMISSION
OF
OREGON**

STAFF EXHIBIT 407

**Exhibits in Support
Of Opening Testimony**

April 17, 2020

NWN UG 388
Test Year Ending 10/31/21
000's



Preliminary Adjustment

Description/ Account No.	Company-Wide				OR- Allocated	
	Company Filing	Staff	O&M Adjustment	Capital Adjustment	O&M Adjustment	Capital Adjustment
Wages & Salaries	\$ 114,427	\$ 111,814	\$ (1,657)	\$ (957)	\$ (1,480)	\$ (854)
FTE Adjustment	\$ 111,814	\$ 109,618	\$ (1,392)	\$ (804)	\$ (1,243)	\$ (718)
Medical Benefit					\$ (408)	
Incentives	\$ 11,102	\$ 3,231	\$ (4,990)	\$ (2,881)	\$ (4,990)	\$ (2,881)
Overtime	\$ 7,225	\$ 5,690	\$ (974)	\$ (562)	\$ (869)	\$ (502)
Payroll Taxes					\$ (340)	
Depreciation O&M Adjustment Associated with Capital Adjustment					\$ (142)	
Incentives in Plant					\$ -	\$ (4,237)
Total OR Allocated					\$ (9,472)	\$ (9,192)

Staff Initiator:

Heather Cohen

CASE: UG 388
WITNESS: HEATHER COHEN

**PUBLIC UTILITY COMMISSION
OF
OREGON**

STAFF EXHIBIT 408

**Exhibits in Support
Of Opening Testimony**

April 17, 2020



Rates & Regulatory Affairs
2020 Oregon General Rate Case
UG 388
Amended Data Request Response

Request No.: UG 388 SDR 92

For the Test Year and the preceding 4 calendar years, please provide (on a Total Company basis), a summary table (using the categories and format shown below) that includes the number of FTE's (exclude FTE's created by overtime hours) and the actual paid cash compensation broken down between base wages or salaries, overtime, and incentives or bonuses. For any calendar year included in this request for which actual data is not available for the entire calendar year, please create a calendar year using the available actual data combined with the forecast applicable to the rest of the year. Please note which months and figures are associated with both the actual and forecast data.

Year: 2XXX		Actual (unadjusted) Paid Cash Compensation	
Total Co FTE**	Base Wages or Salaries	Overtime	
**Please Exclude FTE created by Overtime			

Response:

The original response was provided on a Total Company basis per the SDR request. The attached UG 388 SDR 92 Amended Attachment 1 has allocated the response to reflect Gas Utility only FTEs as well as Gas Utility and Oregon Allocated Base Wages and Salaries, Overtime and Incentive & Bonus per OPUC DR 163 request.



Rates & Regulatory Affairs
2020 Oregon General Rate Case
UG 388
Data Request Response

Request No.: UG 388 SDR 92

For the Test Year and the preceding 4 calendar years, please provide (on a Total Company basis), a summary table (using the categories and format shown below) that includes the number of FTE's (exclude FTE's created by overtime hours) and the actual paid cash compensation broken down between base wages or salaries, overtime, and incentives or bonuses. For any calendar year included in this request for which actual data is not available for the entire calendar year, please create a calendar year using the available actual data combined with the forecast applicable to the rest of the year. Please note which months and figures are associated with both the actual and forecast data.

Year: 2XXX		Actual (unadjusted) Paid Cash Compensation	
Total Co FTE**	Base Wages or Salaries	Overtime	
**Please Exclude FTE created by Overtime			

Response:

Please see UG 388 SDR 92 Attachment 1.



Rates & Regulatory Affairs
UG 388
2020 OR General Rate Revision
Data Request Response

Request No.: UG 388 OPUC DR 161

161. Referring to the Company's response, UG 388 OPUC DR 092 Attachment 1.xlsx:
- a. Please supplement the response and update the table named, "1st Year Prior to Test Year" with 2019 actuals in Excel format. This request is ongoing.
 - b. Please confirm that the 01/01/2016 cited in the 3rd Year prior to Test Year should actually be 01/01/2017.

Response:

- a. Please see UG 388 SDR 92 Amended Attachment 1-Supplement. As of January 31, 2020, NW Natural's total company current FTE count is 1,169. Removing non-regulated activity, the utility-only FTE headcount is 1,145.5 as of January 31, 2020.
- b. Yes, the "01/01/2016" cited in the 3rd Year prior to Test Year should actually be "01/01/2017."



Rates & Regulatory Affairs
UG 388
2020 OR General Rate Revision
Data Request Response

Request No.: UG 388 OPUC DR 161

161. Referring to the Company's response, UG 388 OPUC DR 092 Attachment 1.xlsx:
- Please supplement the response and update the table named, "1st Year Prior to Test Year" with 2019 actuals in Excel format. This request is ongoing.
 - Please confirm that the 01/01/2016 cited in the 3rd Year prior to Test Year should actually be 01/01/2017.

February Supplemental Response:

NW Natural supplements this response with an updated utility only FTE headcount as of February 29, 2020 underlined below.

As of February 29, 2020, NW Natural's total company current FTE count is 1,170. Removing non-regulated activity, the utility-only FTE headcount is 1,138.

Additionally, NW Natural has filled the two security positions described in the testimony of Wayne Pipes, *NW Natural/500, Pipes 47-50*. The start dates for both positions is April, 6, 2020.

With respect to the 14 new IT&S positions described in the testimony of Jim Downing, *NW Natural/600, Downing 14-24*, we have filled seven of the 14 positions. The seven unfilled positions are posted and in the interview process.



Rates & Regulatory Affairs
UG 388
2020 OR General Rate Revision
Data Request Response

Request No.: UG 388 OPUC DR 161

161. Referring to the Company's response, UG 388 OPUC DR 092 Attachment 1.xlsx:
- a. Please supplement the response and update the table named, "1st Year Prior to Test Year" with 2019 actuals in Excel format. This request is ongoing.
 - b. Please confirm that the 01/01/2016 cited in the 3rd Year prior to Test Year should actually be 01/01/2017.

Supplemental Response:

NW Natural supplements part (a) of this response with an updated utility only FTE headcount as of January 31, 2020 underlined below. No other changes have been made to the response or the attachments.

- a. Please see UG 388 SDR 92 Amended Attachment 1-Supplement. As of January 31, 2020, NW Natural's total company current FTE count is 1,169. Removing non-regulated activity, the utility-only FTE headcount is 1,137.7 as of January 31, 2020.
- b. Yes, the "01/01/2016" cited in the 3rd Year prior to Test Year should actually be "01/01/2017."



Rates & Regulatory Affairs
UG 388
2020 OR General Rate Revision
Data Request Response

Request No.: UG 388 OPUC DR 280

280. Referring to the Company's Exhibit 1002, please complete Staff's attachment, UG 388 DR 280 Attachment 1.xlsx as follows:

a. Provide the Company's test year proposal for Salaries, Wages, Incentives, Overtime and FTE included within Exhibit 1002. This request includes both O&M and Capitalized costs. Also, please provide the data by employee category, and by compensation type as illustrated in the attachment.

i. Provide the 2019 Total Company Base Year (9 mos. Actual and 3 Months Forecast) upon which the Oregon Base year is based;

ii. Provide the Oregon allocated percentage;

iii. Calculate the Oregon allocated Base Year;

iv. Provide the Oregon Base Year adjustments with a sub-schedule separately explaining each adjustment, (i.e. COLA, promotion, merit increase, equity adjustment, incentive adjustment, etc.); and,

v. Provide the Test Year dollars on an Oregon allocated basis and Test Year FTE on a Total Company basis.

Response:

Please see UG 388 OPUC DR 280 Attachment 1.

iv. The Test Year payroll expenses were calculated independently from the Base Year payroll actuals. Therefore, it is difficult to break out the Base Year adjustments by sub-schedule. The Test Year payroll expense was calculated by annualizing the salaries of the FTEs at the end of the Base Year plus the additional salaries for the FTEs being requested in this case in NW Natural/600/Downing/Pages 14-24, and NW Natural/500/Pipes/Pages 47-50.

These payroll dollars are adjusted for expected wage and salary increases. Further detail on the rates which include merit increase, promotions and equity adjustments can be found at NW Natural/900/Davilla/Page 7.

These calculations can be found in Confidential UG 388 OPUC DR 282 Attachment 1.



Rates & Regulatory Affairs
UG 388
2020 OR General Rate Revision
Data Request Response

Request No.: UG 388 OPUC DR 281

281. Please point to Company's testimony and/or its data responses that support its response to the above data request or are contrary to the above response. Additionally, please provide a narrative explanation and an Excel reconciliation by employee type/category to Table I in Ms. Roger's testimony. (See NW Natural/700, Rogers/6.)

Response:

UG 388 OPUC DR 281 Attachment 1 illustrates the calculations for: (1) Base Pay, Pay at Risk and Incentive Compensation used to develop Table 1 and Table 3 in Ms. Roger's testimony (2) original UG 388 SDR 92 which represented Total Company numbers, (3) amended UG 388 SDR 92 which allocated the numbers to Oregon and Utility, and (4) numbers in UG 388 OPUC DR 280 Attachment 1.

In addition, UG 388 OPUC DR 281 Attachment 1 references numbers from Confidential UG 388 OPUC DR 282 Attachment 1, which provides more detailed calculations on how those referenced numbers were developed.



Rates & Regulatory Affairs
UG 388
2020 OR General Rate Revision
Data Request Response

Request No.: UG 388 OPUC DR 282

282. Provide all internal workpapers generated for salaries, wages, incentives, overtime, and payroll costs that support the amounts for these costs included in Exhibit 1002. In the response, include supporting schedules reconciling to the base year, adjustments, and test year, notes and explanative narrative that ensure that the Company's supporting detail properly represents what it included in its filed case. This request includes both O&M and Capitalized costs.

Response:

Confidential UG 388 OPUC DR 282 Attachment 1 is the workbook used to generate Test Year O&M. This workbook includes calculations for generated salaries, wages, incentives, overtime, and payroll costs that support the amounts included in the revenue requirement. Due to the large size of Confidential UG 388 OPUC DR 282 Attachment 1 it is being provided on CD.

The Test Year and Base Year O&M totals found in Exhibit 1002 can be found in Confidential UG 388 OPUC DR 282 Attachment 1 in the "Exhibit – O&M" tab, cells E116 (Test Year) and H116 (Base Year).

The Test Year O&M detail excluding Environmental Rider and Equity Floatation costs can be found in the "O&M TY FERC Allocation Summary" tab, cell AC139. The Base Year O&M detail excluding Environmental Rider costs can be found in the "O&M BY FERC Allocation Summ" tab, cell AP139.

From these tabs, detailed calculations can be traced back throughout the model.

Test Year: 11/01/2020 - 10/31/2021					
	Total				
	Compan	Base Wages		Incentive or	Total
	y FTEs	or Salaries	Overtime	Bonus	
Officers	10.0	\$ 3,542,800	\$ -	\$ 1,640,800	\$ 5,183,600
Exempt	534.6	\$ 60,460,500	\$ -	\$ 6,875,400	\$ 67,335,900
Nonexempt	17.0	\$ 1,318,200	\$ 7,300	\$ 95,800	\$ 1,421,300
Union	631.4	\$ 49,105,500	\$ 7,218,100	\$ -	\$ 56,323,600
Total	1,193.0	\$ 114,427,000	\$ 7,225,400	\$ 8,612,000	\$ 130,264,400

1st Year prior to Test Year: 01/01/2019 - 12/31/2019 (8.5 months actual + 3.5 months projected)					
	Total				
	Compan	Base Wages		Incentive or	Total
	y FTEs	or Salaries	Overtime	Bonus	
Officers	10.8	\$ 3,481,700	\$ -	\$ 2,316,400	\$ 5,798,100
Exempt	503.6	\$ 57,629,700	\$ -	\$ 7,178,200	\$ 64,807,900
Nonexempt	17.0	\$ 1,204,500	\$ 7,600	\$ 104,400	\$ 1,316,500
Union	619.2	\$ 43,349,200	\$ 6,016,400	\$ 879,200	\$ 50,244,800
Total	1,150.6	\$ 105,665,100	\$ 6,024,000	\$ 10,478,200	\$ 122,167,300

2nd Year prior to Test Year: 01/01/2018 - 12/31/2018					
	Total				
	Compan	Base Wages		Incentive or	Total
	y FTEs	or Salaries	Overtime	Bonus	
Officers	12.4	\$ 4,325,784	\$ -	\$ 2,360,000	\$ 6,685,784
Exempt	490.1	\$ 50,226,757	\$ -	\$ 7,465,859	\$ 57,692,616
Nonexempt	17.6	\$ 1,287,222	\$ 9,488	\$ 122,816	\$ 1,419,525
Union	622.8	\$ 43,531,039	\$ 5,217,590	\$ 1,620,717	\$ 50,369,346
Total	1,143.0	\$ 99,370,802	\$ 5,227,078	\$ 11,569,392	\$ 116,167,271

3rd Year prior to Test Year: 01/01/2016 - 12/31/2017					
	Total				
	Compan	Base Wages		Incentive or	Total
	y FTEs	or Salaries	Overtime	Bonus	
Officers	10.9	\$ 3,418,514	\$ -	\$ 1,841,000	\$ 5,259,514
Exempt	469.6	\$ 46,828,438	\$ -	\$ 6,911,476	\$ 53,739,914
Nonexempt	19.2	\$ 1,406,423	\$ 9,861	\$ 110,694	\$ 1,526,977
Union	602.7	\$ 43,038,669	\$ 5,095,214	\$ 942,167	\$ 49,076,050
Total	1,102.3	\$ 94,692,043	\$ 5,105,075	\$ 9,805,337	\$ 109,602,455

4th Year prior to Test Year: 01/01/2016 - 12/31/2016					
---	--	--	--	--	--

	Total Compan y FTEs	Base Wages or Salaries	Overtime	Incentive or Bonus	Total
Officers	10.7	\$ 3,330,267	\$ -	\$ 2,746,000	\$ 6,076,267
Exempt	445.6	\$ 43,334,688	\$ -	\$ 6,612,338	\$ 49,947,026
Nonexempt	18.8	\$ 1,275,623	\$ 10,613	\$ 117,547	\$ 1,403,783
Union	600.0	\$ 39,618,251	\$ 3,677,298	\$ 2,040	\$ 43,297,588
Total	1,075.1	\$ 87,558,830	\$ 3,687,910	\$ 9,477,924	\$ 100,724,664

Test Year: 11/01/2020 - 10/31/2021					
	Gas Utility	Oregon & Gas Utility Allocated			
	Total FTEs	Base Wages or Salaries	Overtime	Incentive or Bonus	Total
Officers	11.5	\$ 3,493,853	\$ -	\$ 1,572,037	\$ 5,065,890
Exempt	512.2	\$ 51,149,842	\$ -	\$ 5,687,477	\$ 56,959,791
Nonexempt	16.3	\$ 1,129,748	\$ 5,914	\$ 82,104	\$ 1,218,108
Union	629.4	\$ 43,836,480	\$ 6,443,955	\$ -	\$ 50,280,078
Total	1,169.5	\$ 99,609,922	\$ 6,449,869	\$ 7,341,619	\$ 113,523,867

1st Year prior to Test Year: 01/01/2019 - 12/31/2019 Actuals					
	Gas Utility	Oregon & Gas Utility Allocated			
	Total FTEs	Base Wages or Salaries	Overtime	Incentive or Bonus	Total
Officers	11.1	\$ 3,248,152	\$ -	\$ 1,885,584	\$ 5,133,737
Exempt	474.8	\$ 44,927,761	\$ -	\$ 6,337,642	\$ 51,388,200
Nonexempt	16.4	\$ 1,044,949	\$ 6,718	\$ 89,462	\$ 1,141,130
Union	607.5	\$ 40,024,099	\$ 4,673,082	\$ 782,108	\$ 45,479,290
Total	1,109.7	\$ 89,244,961	\$ 4,679,800	\$ 9,094,797	\$ 103,142,356

2nd Year prior to Test Year: 01/01/2018 - 12/31/2018					
	Gas Utility	Oregon & Gas Utility Allocated			
	Total FTEs	Base Wages or Salaries	Overtime	Incentive or Bonus	Total
Officers	12.8	\$ 3,970,679	\$ -	\$ 2,024,513	\$ 5,995,191
Exempt	471.1	\$ 42,886,743	\$ -	\$ 6,403,773	\$ 49,290,516
Nonexempt	17.0	\$ 1,106,474	\$ 8,155	\$ 105,570	\$ 1,220,200
Union	617.3	\$ 38,502,277	\$ 4,614,847	\$ 1,433,490	\$ 44,550,613
Total	1,118.2	\$ 86,466,172	\$ 4,623,003	\$ 9,967,346	\$ 101,056,521

3rd Year prior to Test Year: 01/01/2017 - 12/31/2017					
	Gas Utility	Oregon & Gas Utility Allocated			
	Total FTEs	Base Wages or Salaries	Overtime	Incentive or Bonus	Total
Officers	11.2	\$ 3,101,171	\$ -	\$ 1,588,021	\$ 4,689,193
Exempt	451.6	\$ 40,150,058	\$ -	\$ 5,917,602	\$ 46,067,660
Nonexempt	18.5	\$ 1,212,953	\$ 8,504	\$ 95,467	\$ 1,316,924
Union	597.3	\$ 38,179,784	\$ 4,519,986	\$ 835,800	\$ 43,535,570
Total	1,078.5	\$ 82,643,967	\$ 4,528,490	\$ 8,436,890	\$ 95,609,347

4th Year prior to Test Year: 01/01/2016 - 12/31/2016					
	Gas Utility	Oregon & Gas Utility Allocated			

	Total FTEs	Base Wages or Salaries	Overtime	Incentive or Bonus	Total
Officers	11.0	\$ 3,058,983	\$ -	\$ 2,345,659	\$ 5,404,642
Exempt	429.5	\$ 37,455,548	\$ -	\$ 5,737,392	\$ 43,192,940
Nonexempt	18.2	\$ 1,109,517	\$ 9,231	\$ 102,240	\$ 1,220,989
Union	593.8	\$ 35,297,987	\$ 3,276,298	\$ 1,817	\$ 38,576,102
Total	1,052.5	\$ 76,922,035	\$ 3,285,529	\$ 8,187,109	\$ 88,394,673

Wages & Salaries, Overtime and Incentive Bonus has been adjusted from the original response to reflect Gas Utility only and Oregon allocated.

Total Company FTEs have been adjusted to reflect Gas Utility only.

Test Year: 11/01/2020 - 10/31/2021					
	Utility	Oregon & Utility Allocated			
	Total FTEs	Base Wages or Salaries	Overtime	Incentive or Bonus	Total
Officers	11.5	\$ 3,493,853	\$ -	\$ 1,572,037	\$ 5,065,890
Exempt	512.2	\$ 51,149,842	\$ -	\$ 5,687,477	\$ 56,959,791
Nonexempt	16.3	\$ 1,129,748	\$ 5,914	\$ 82,104	\$ 1,218,108
Union	629.4	\$ 43,836,480	\$ 6,443,955	\$ -	\$ 50,280,078
Total	1,169.5	\$ 99,609,922	\$ 6,449,869	\$ 7,341,619	\$ 113,523,867

1st Year prior to Test Year: 01/01/2019 - 12/31/2019 Actuals					
	Utility	Oregon & Utility Allocated			
	Total FTEs	Base Wages or Salaries	Overtime	Incentive or Bonus	Total
Officers	11.1	\$ 3,248,152	\$ -	\$ 1,885,584	\$ 5,133,737
Exempt	474.8	\$ 44,927,761	\$ -	\$ 6,337,642	\$ 51,388,200
Nonexempt	16.4	\$ 1,044,949	\$ 6,718	\$ 89,462	\$ 1,141,130
Union	607.5	\$ 40,024,099	\$ 4,673,082	\$ 782,108	\$ 45,479,290
Total	1,109.7	\$ 89,244,961	\$ 4,679,800	\$ 9,094,797	\$ 103,142,356

2nd Year prior to Test Year: 01/01/2018 - 12/31/2018					
	Utility	Oregon & Utility Allocated			
	Total FTEs	Base Wages or Salaries	Overtime	Incentive or Bonus	Total
Officers	12.8	\$ 3,970,679	\$ -	\$ 2,024,513	\$ 5,995,191
Exempt	471.1	\$ 42,886,743	\$ -	\$ 6,403,773	\$ 49,290,516
Nonexempt	17.0	\$ 1,106,474	\$ 8,155	\$ 105,570	\$ 1,220,200
Union	617.3	\$ 38,502,277	\$ 4,614,847	\$ 1,433,490	\$ 44,550,613
Total	1,118.2	\$ 86,466,172	\$ 4,623,003	\$ 9,967,346	\$ 101,056,521

3rd Year prior to Test Year: 01/01/2017 - 12/31/2017					
	Utility	Oregon & Utility Allocated			
	Total FTEs	Base Wages or Salaries	Overtime	Incentive or Bonus	Total
Officers	11.2	\$ 3,101,171	\$ -	\$ 1,588,021	\$ 4,689,193
Exempt	451.6	\$ 40,150,058	\$ -	\$ 5,917,602	\$ 46,067,660
Nonexempt	18.5	\$ 1,212,953	\$ 8,504	\$ 95,467	\$ 1,316,924
Union	597.3	\$ 38,179,784	\$ 4,519,986	\$ 835,800	\$ 43,535,570
Total	1,078.5	\$ 82,643,967	\$ 4,528,490	\$ 8,436,890	\$ 95,609,347

4th Year prior to Test Year: 01/01/2016 - 12/31/2016					
	Utility	Oregon & Utility Allocated			

	Total FTEs	Base Wages or Salaries	Overtime	Incentive or Bonus	Total
Officers	11.0	\$ 3,058,983	\$ -	\$ 2,345,659	\$ 5,404,642
Exempt	429.5	\$ 37,455,548	\$ -	\$ 5,737,392	\$ 43,192,940
Nonexempt	18.2	\$ 1,109,517	\$ 9,231	\$ 102,240	\$ 1,220,989
Union	593.8	\$ 35,297,987	\$ 3,276,298	\$ 1,817	\$ 38,576,102
Total	1,052.5	\$ 76,922,035	\$ 3,285,529	\$ 8,187,109	\$ 88,394,673

Wages & Salaries, Overtime and Incentive Bonus has been adjusted from the original response to reflect Gas Utility only and Oregon allocated.

Total Company FTEs have been adjusted to reflect Gas Utility only.

Table 1 Utility Employee Total Base Pay (Wages & Salaries) (Oregon Allocated) in Ms. Roger's Testimony (NW Natural 700, Page 5)

		Total System ¹	Reclass ²	Add. Reclass ³	Rounding	Adjusted Total System	Utility Allocation	Utility	Oregon Allocation	Oregon Utility	Indirect Allocation	Total OR Utility	Rounding	Ms. Rogers Table 1
BU	Union	49,105,488				49,105,488	100%	49,105,488	89%	43,844,532		43,844,532	468	43,845,000
NBU	Exempt	60,792,579				60,792,579	96%	58,363,757	89%	52,110,908	(105,658)	52,005,250	(495)	52,850,000
NBU	Non-exempt	986,112				986,112	96%	946,667	89%	845,245		845,245		
Officers	Officers	3,542,754				3,542,754	95%	3,365,616	89%	3,005,038		3,005,038	(38)	3,005,000
		114,426,932	-	-	-	114,426,932		111,781,528		99,805,723	(105,658)	99,700,065	(65)	99,700,000

OPUC DR 92 Attachment 1 (Answered on Total Company basis)

		Total System ¹	Reclass ²	Add. Reclass ³	Rounding	Adjusted Total System
BU	Union	49,105,488			12	49,105,500
NBU	Exempt	60,792,579	(332,088)		10	60,460,500
NBU	Non-exempt	986,112	332,088		-	1,318,200
Officers	Officers	3,542,754			46	3,542,800
		114,426,932	-	-	68	114,427,000

OPUC DR 92 Amended Attachment 1 (Amended to allocate dollars to Utility and Oregon only)

		Total System ¹	Reclass ²	Add. Reclass ³	Rounding	Adjusted Total System	Utility Allocation	Utility	Oregon Allocation	Oregon Utility	Indirect Allocation	Total OR Utility	Ms. Rogers Table 1	Variance to Table 1
BU	Union	49,105,488	-	-	12	49,105,500	100%	49,105,500	89%	43,836,480		43,836,480	43,845,000	(8,520)
NBU	Exempt	60,792,579	(332,088)	(635,500)	10	59,825,000	96%	57,435,100	89%	51,272,313	(122,471)	51,149,842	52,850,000	(570,410)
NBU	Non-exempt	986,112	332,088	-	-	1,318,200	96%	1,265,540	89%	1,129,748		1,129,748	-	
Officers	Officers	3,542,754	-	635,500	46	4,178,300	95%	3,969,385	88%	3,493,853		3,493,853	3,005,000	488,853
		114,426,932	-	-	68	114,427,000		111,775,525		99,732,394	(122,471)	99,609,922	99,700,000	(90,078)

OPUC DR 280 Attachment 1

		Total System ¹	Reclass ²	Add. Reclass ³	Rounding	Adjusted Total System	Utility Allocation	Utility	Oregon Allocation	Oregon Utility	Indirect Allocation	Total OR Utility	Ms. Rogers Table 1	Variance to Table 1
BU	Union	49,105,488				49,105,488	100%	49,105,488	89%	43,844,532		43,844,532	43,845,000	(468)
NBU	Exempt	60,792,579	(332,088)	(635,500)		59,824,990	96%	57,435,090	89%	51,281,735	(136,756)	51,144,979	52,850,000	(575,065)
NBU	Non-exempt	986,112	332,088			1,318,200	96%	1,265,540	89%	1,129,956		1,129,956	-	
Officers	Officers	3,542,754		635,500		4,178,254	95%	3,969,341	89%	3,544,082		3,544,082	3,005,000	539,082
		114,426,932	-	-	-	114,426,932		111,775,460		99,800,305	(136,756)	99,663,549	99,700,000	(36,451)

¹ Total System numbers can be found in UG 388 OPUC DR 282 Attachment 1, tab "Total FTE Salary & Wages", Cell AE156 for Union, AE169 for NBU Non-Exempt, AE182 for NBU Exempt, and AE195 for Officers

² Some FTEs were reclassified between NBU Exempt and Non-Exempt categories.

³ After filing, some FTEs were reclassified between Officer and NBU Exempt.

Table 3 Utility Employee Target Pay-At Risk (Oregon Allocated) in Ms. Roger's Testimony (NW Natural 700, Page 17)

	GOAL INCENTIVE PLAN							LONG TERM INCENTIVE PLAN			STOCK EXPENSE (RESTRICTED STOCK UNITS)				
	System Total Goal		System Total Goal		System Utility Goal		Adj. System Utility Goal	Oregon Oregon Utility Goal		Oregon Oregon Long Term		Oregon Oregon Stock			
	Inc. Program ¹	Rounding	Inc. Program	Allocation	Inc. Program ²	Reclass ³	Inc. Program	Allocation	Inc. Program	Allocation	Inc. Program	Stock Expense	Allocation	Expense	
NBU	6,971,160		6,971,160	98%	6,815,749		6,815,749	89%	6,085,538	234,097	88%	206,052	561,052	89%	501,836
Officers	1,640,803		1,640,803	95%	1,558,763		1,558,763	89%	1,391,764	2,093,761	88%	1,842,930	1,199,191	89%	1,072,622
	8,611,963	-	8,611,963		8,374,512	-	8,374,512		7,477,302	2,327,858		2,048,982	1,760,243		1,574,458

OPUC DR 92 Attachment 1 (Answered on Total Company basis; Incentive or Bonus included Goal Incentive Program Only)

GOAL INCENTIVE PLAN			
	System Total Goal		System Total Goal
	Inc. Program ¹	Rounding	Inc. Program
NBU	6,971,160	40	6,971,200
Officers	1,640,803	(3)	1,640,800
	8,611,963	37	8,612,000

OPUC DR 92 Amended Attachment 1 (Amended to allocate dollars to Utility and Oregon only; Incentive or Bonus included Goal Incentive Program Only)

	GOAL INCENTIVE PLAN							(A) Oregon	
	System Total Goal		System Total Goal		System Utility Goal		Adj. System Utility Goal	Oregon Oregon Utility Goal	
	Inc. Program ¹	Rounding	Inc. Program	Reclass ³	Inc. Program	Allocation	Utility	Allocation	Inc. Program
NBU	6,971,160	40	6,971,200	(239,200)	6,732,000	96%	6,463,069	89%	5,769,582
Officers	1,640,803	(3)	1,640,800	239,200	1,880,000	95%	1,786,000	88%	1,572,037
	8,611,963	37	8,612,000	-	8,612,000		8,249,069		7,341,619

OPUC DR 280 Attachment 1

	GOAL INCENTIVE PLAN							LONG TERM INCENTIVE PLAN			STOCK EXPENSE (RESTRICTED STOCK UNITS)				
	System Total Goal		System Total Goal		System Utility Goal		Adj. System Utility Goal	Oregon Oregon Utility Goal		Oregon Oregon Long Term		Oregon Oregon Stock			
	Inc. Program ¹	Rounding	Inc. Program	Allocation	Inc. Program ²	Reclass ³	Inc. Program	Allocation	Inc. Program	Allocation	Inc. Program	Stock Expense	Allocation	Expense	
NBU	6,971,160		6,971,160	98%	6,815,749	(227,240)	6,588,509	89%	5,883,539	88,072	88%	77,521	561,052	89%	501,836
Officers	1,640,803		1,640,803	95%	1,558,763	227,240	1,786,003	89%	1,594,901	2,239,786	88%	1,971,462	1,199,191	89%	1,072,622
	8,611,963	-	8,611,963		8,374,512	-	8,374,512		7,478,439	2,327,858		2,048,982	1,760,243		1,574,458

¹ System Total Goal Incentive Program numbers can be found in UG 388 OPUC DR 282 Attachment 1, tab "Total Payroll OH", Cell N20 for NBU and M20 for Officers

² System Utility Goal Incentive Program numbers can be found in UG 388 OPUC DR 282 Attachment 1, tab "Total Payroll OH", Cell N22 for NBU and M22 for Officers

³ After filing, some FTEs were reclassified between Officer and NBU.

(A) + (B) + (C)

Total Oregon Pay-At-Risk	Rounded	Ms. Rogers Table 3
6,793,426	(426)	6,793,000
4,307,316	(316)	4,307,000
11,100,742	(742)	11,100,000

(A) + (B) + (C)

Total Oregon Pay-At-Risk	Ms. Rogers Table 3	Variance to Table 3
6,462,895	6,793,000	(330,105)
4,638,984	4,307,000	331,984
11,101,879	11,100,000	1,879

CASE: UG 388
WITNESS: HEATHER COHEN

**PUBLIC UTILITY COMMISSION
OF
OREGON**

STAFF EXHIBIT 410

**Exhibits in Support
Of Opening Testimony**

April 17, 2020

Staff Exhibit 410 is filed

In electronic format

Test Year: 11/01/2020 - 10/31/2021					
	Total Compan y FTEs	Base Wages or Salaries	Overtime	Incentive or Bonus	Total
Officers	10.0	\$ 3,542,800	\$ -	\$ 1,640,800	\$ 5,183,600
Exempt	534.6	\$ 60,460,500	\$ -	\$ 6,875,400	\$ 67,335,900
Nonexempt	17.0	\$ 1,318,200	\$ 7,300	\$ 95,800	\$ 1,421,300
Union	631.4	\$ 49,105,500	\$ 7,218,100	\$ -	\$ 56,323,600
Total	1,193.0	\$ 114,427,000	\$ 7,225,400	\$ 8,612,000	\$ 130,264,400

1st Year prior to Test Year: 01/01/2019 - 12/31/2019 (8.5 months actual + 3.5 months projected)					
	Total Compan y FTEs	Base Wages or Salaries	Overtime	Incentive or Bonus	Total
Officers	10.8	\$ 3,481,700	\$ -	\$ 2,316,400	\$ 5,798,100
Exempt	503.6	\$ 57,629,700	\$ -	\$ 7,178,200	\$ 64,807,900
Nonexempt	17.0	\$ 1,204,500	\$ 7,600	\$ 104,400	\$ 1,316,500
Union	619.2	\$ 43,349,200	\$ 6,016,400	\$ 879,200	\$ 50,244,800
Total	1,150.6	\$ 105,665,100	\$ 6,024,000	\$ 10,478,200	\$ 122,167,300

2nd Year prior to Test Year: 01/01/2018 - 12/31/2018					
	Total Compan y FTEs	Base Wages or Salaries	Overtime	Incentive or Bonus	Total
Officers	12.4	\$ 4,325,784	\$ -	\$ 2,360,000	\$ 6,685,784
Exempt	490.1	\$ 50,226,757	\$ -	\$ 7,465,859	\$ 57,692,616
Nonexempt	17.6	\$ 1,287,222	\$ 9,488	\$ 122,816	\$ 1,419,525
Union	622.8	\$ 43,531,039	\$ 5,217,590	\$ 1,620,717	\$ 50,369,346
Total	1,143.0	\$ 99,370,802	\$ 5,227,078	\$ 11,569,392	\$ 116,167,271

3rd Year prior to Test Year: 01/01/2016 - 12/31/2017					
	Total Compan y FTEs	Base Wages or Salaries	Overtime	Incentive or Bonus	Total
Officers	10.9	\$ 3,418,514	\$ -	\$ 1,841,000	\$ 5,259,514
Exempt	469.6	\$ 46,828,438	\$ -	\$ 6,911,476	\$ 53,739,914
Nonexempt	19.2	\$ 1,406,423	\$ 9,861	\$ 110,694	\$ 1,526,977
Union	602.7	\$ 43,038,669	\$ 5,095,214	\$ 942,167	\$ 49,076,050
Total	1,102.3	\$ 94,692,043	\$ 5,105,075	\$ 9,805,337	\$ 109,602,455

4th Year prior to Test Year: 01/01/2016 - 12/31/2016					
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	Total Compan y FTEs	Base Wages or Salaries	Overtime	Incentive or Bonus	Total
Officers	10.7	\$ 3,330,267	\$ -	\$ 2,746,000	\$ 6,076,267
Exempt	445.6	\$ 43,334,688	\$ -	\$ 6,612,338	\$ 49,947,026
Nonexempt	18.8	\$ 1,275,623	\$ 10,613	\$ 117,547	\$ 1,403,783
Union	600.0	\$ 39,618,251	\$ 3,677,298	\$ 2,040	\$ 43,297,588
Total	1,075.1	\$ 87,558,830	\$ 3,687,910	\$ 9,477,924	\$ 100,724,664

CASE: UG 388
WITNESS: HEATHER COHEN

**PUBLIC UTILITY COMMISSION
OF
OREGON**

STAFF EXHIBIT 411

**Exhibits in Support
Of Opening Testimony**

April 17, 2020

Exhibit 411 Cohen DR 092 Attachment 1

is filed

In electronic format

Exhibit 411 CONF Cohen DR 110 Attachment 1

is filed

In electronic format

Test Year: 11/01/2020 - 10/31/2021					
	Total Compan y FTEs	Base Wages or Salaries	Overtime	Incentive or Bonus	Total
Officers	10.0	\$ 3,542,800	\$ -	\$ 1,640,800	\$ 5,183,600
Exempt	534.6	\$ 60,460,500	\$ -	\$ 6,875,400	\$ 67,335,900
Nonexempt	17.0	\$ 1,318,200	\$ 7,300	\$ 95,800	\$ 1,421,300
Union	631.4	\$ 49,105,500	\$ 7,218,100	\$ -	\$ 56,323,600
Total	1,193.0	\$ 114,427,000	\$ 7,225,400	\$ 8,612,000	\$ 130,264,400

1st Year prior to Test Year: 01/01/2019 - 12/31/2019 (8.5 months actual + 3.5 months projected)					
	Total Compan y FTEs	Base Wages or Salaries	Overtime	Incentive or Bonus	Total
Officers	10.8	\$ 3,481,700	\$ -	\$ 2,316,400	\$ 5,798,100
Exempt	503.6	\$ 57,629,700	\$ -	\$ 7,178,200	\$ 64,807,900
Nonexempt	17.0	\$ 1,204,500	\$ 7,600	\$ 104,400	\$ 1,316,500
Union	619.2	\$ 43,349,200	\$ 6,016,400	\$ 879,200	\$ 50,244,800
Total	1,150.6	\$ 105,665,100	\$ 6,024,000	\$ 10,478,200	\$ 122,167,300

2nd Year prior to Test Year: 01/01/2018 - 12/31/2018					
	Total Compan y FTEs	Base Wages or Salaries	Overtime	Incentive or Bonus	Total
Officers	12.4	\$ 4,325,784	\$ -	\$ 2,360,000	\$ 6,685,784
Exempt	490.1	\$ 50,226,757	\$ -	\$ 7,465,859	\$ 57,692,616
Nonexempt	17.6	\$ 1,287,222	\$ 9,488	\$ 122,816	\$ 1,419,525
Union	622.8	\$ 43,531,039	\$ 5,217,590	\$ 1,620,717	\$ 50,369,346
Total	1,143.0	\$ 99,370,802	\$ 5,227,078	\$ 11,569,392	\$ 116,167,271

3rd Year prior to Test Year: 01/01/2016 - 12/31/2017					
	Total Compan y FTEs	Base Wages or Salaries	Overtime	Incentive or Bonus	Total
Officers	10.9	\$ 3,418,514	\$ -	\$ 1,841,000	\$ 5,259,514
Exempt	469.6	\$ 46,828,438	\$ -	\$ 6,911,476	\$ 53,739,914
Nonexempt	19.2	\$ 1,406,423	\$ 9,861	\$ 110,694	\$ 1,526,977
Union	602.7	\$ 43,038,669	\$ 5,095,214	\$ 942,167	\$ 49,076,050
Total	1,102.3	\$ 94,692,043	\$ 5,105,075	\$ 9,805,337	\$ 109,602,455

4th Year prior to Test Year: 01/01/2016 - 12/31/2016					
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	Total Compan y FTEs	Base Wages or Salaries	Overtime	Incentive or Bonus	Total
Officers	10.7	\$ 3,330,267	\$ -	\$ 2,746,000	\$ 6,076,267
Exempt	445.6	\$ 43,334,688	\$ -	\$ 6,612,338	\$ 49,947,026
Nonexempt	18.8	\$ 1,275,623	\$ 10,613	\$ 117,547	\$ 1,403,783
Union	600.0	\$ 39,618,251	\$ 3,677,298	\$ 2,040	\$ 43,297,588
Total	1,075.1	\$ 87,558,830	\$ 3,687,910	\$ 9,477,924	\$ 100,724,664

CASE: UG 388
WITNESS: HEATHER COHEN

**PUBLIC UTILITY COMMISSION
OF
OREGON**

STAFF EXHIBIT 412

**Exhibits in Support
Of Opening Testimony**

April 17, 2020

Staff Exhibit 412 is confidential

CASE: UG 388
WITNESS: HEATHER COHEN

**PUBLIC UTILITY COMMISSION
OF
OREGON**

STAFF EXHIBIT 413

**Exhibits in Support
Of Opening Testimony**

April 17, 2020

Staff Exhibit 413 is confidential and

Is filed

In electronic format

CASE: UG 388
WITNESS: HEATHER COHEN

**PUBLIC UTILITY COMMISSION
OF
OREGON**

STAFF EXHIBIT 414

**Exhibits in Support
Of Opening Testimony**

April 17, 2020

Staff Exhibit 414 is confidential

CASE: UG 388
WITNESS: HEATHER COHEN

**PUBLIC UTILITY COMMISSION
OF
OREGON**

STAFF EXHIBIT 415

**Exhibits in Support
Of Opening Testimony**

April 17, 2020

Staff Exhibit 415 is confidential

CASE: UG 388
WITNESS: HEATHER COHEN

**PUBLIC UTILITY COMMISSION
OF
OREGON**

STAFF EXHIBIT 416

**Exhibits in Support
Of Opening Testimony**

April 17, 2020



Rates & Regulatory Affairs
 2020 Oregon General Rate Case
UG 388
Data Request Response

Request No.: UG 388 SDR 63

In the following table format, please provide medical benefit costs for the Test Year, Base Year, and the three years prior to the Base Year. Please also explain if the amounts reflected in the Company’s response are before or after employer/employee sharing. For the Test Year estimates, please explain the assumptions relied upon (i.e. increased employees, specific escalation factor to premiums, etc.) in arriving at the forecasted amounts.

	Test Year	Base Year	Base Year - 1	Base Year - 2	Base Year - 3
Medical					
Dental					
401(k)					
Group Life Insurance					
Retiree Life Insurance					
Long-Term Disability					
Other (please label)					
Total					

Response:

Please see UG 388 SDR 63 Attachment 1.



Rates & Regulatory Affairs
2020 Oregon General Rate Case
UG 388
AMENDED Data Request Response

Request No.: UG 388 SDR 63

In the following table format, please provide medical benefit costs for the Test Year, Base Year, and the three years prior to the Base Year. Please also explain if the amounts reflected in the Company’s response are before or after employer/employee sharing. For the Test Year estimates, please explain the assumptions relied upon (i.e. increased employees, specific escalation factor to premiums, etc.) in arriving at the forecasted amounts.

	Test Year	Base Year	Base Year - 1	Base Year - 2	Base Year - 3
Medical					
Dental					
401(k)					
Group Life Insurance					
Retiree Life Insurance					
Long-Term Disability					
Other (please label)					
Total					

Response:

UG 388 OPUC DR 63 Amended Attachment 1 is the Oregon allocated jurisdictional amount of the original UG 388 OPUC DR 63 Attachment 1. The allocation basis is the utility percentage of each year’s Total Company Payroll Analysis Report, and the Oregon jurisdiction payroll percentage from each year’s FERC reporting.

NW Natural
UG 388 SDR 63 Amended Attachment 1

	Test Year	Base Year	Base Year - 1	Base Year - 2	Base Year - 3
	10/31/2021	12/31/2019	12/31/2018	12/31/2017	12/31/2016
Medical/Dental	\$ 18,049,400	\$ 15,463,900	\$ 15,038,600	\$ 14,265,000	\$ 13,596,100
401(k)	\$ 4,641,100	\$ 3,874,000	\$ 3,679,200	\$ 3,066,800	\$ 2,682,200
Group Life Insurance	\$ 148,300	\$ 121,800	\$ 118,000	\$ 105,400	\$ 95,400
Retiree Life Insurance	\$ 144,200	\$ 144,500	\$ 153,400	\$ 141,500	\$ 147,700
Long-Term Disability	\$ 632,500	\$ 512,100	\$ 429,700	\$ 406,900	\$ 335,000
Other: STD, FMLA, EAP, FSA	\$ 155,000	\$ 143,200	\$ 146,300	\$ 141,700	\$ 136,100
Total	\$ 23,770,500	\$ 20,259,500	\$ 19,565,200	\$ 18,127,300	\$ 16,992,500

Notes:

All numbers reflect NW Natural Oregon utility employee costs, but do not include subsidiaries

Amounts are after employer/employee sharing

FTEs increase from 1,149 at 9/30/2019 to 1,193 in Test Year

Except for "Retiree Life Insurance", all amounts are for Active employees

Dental is included with Medical/Dental, as BU Dental cannot be separated

Rate increases:

BU Health/Life/LTD: 6.8% for Test Year

NBU Health/Life/LTD: 6.0% for Test Year

STD (Short Term Disability Administration): 3.0% for Test Year

FMLA (Family Medical Leave Administration): 3.0% for Test Year

EAP (Employee Assistance Program): 3.0% for Test Year

FSA (Flexible Spending Administration): 3.0% for Test Year

401(k): BU match from 50% of first 6% to 50% of first 8%, effective 1/1/2020

401(k) Includes only Company match on RKSP, but does not include DCP match or administrative fees.

NBU Life Insurance increases with wage increases.

Retiree Life Insurance decreased participation in "old" plans partially offset with increased participation in "new" plans

Retiree Life Insurance is expensed in FAS 106

CASE: UG 388
WITNESS: HEATHER COHEN

**PUBLIC UTILITY COMMISSION
OF
OREGON**

STAFF EXHIBIT 417

**Exhibits in Support
Of Opening Testimony**

April 17, 2020

1	a	b	c	d	e	f	g
2	Incentive Name	Financial Performance Measurement	Non-financial Measurement (list measurement)	Total Forecasted Test Year – Total Company	Total Forecasted Test Year Oregon-Allocated	Amount included in NW/Natural/1002 Walker/1 col (e).	Amount excluded from NW/Natural/1002, Walker/1 col (e). (should be e-f)
3	Executive Annual Incentive Plan	Net Income: 50%	Operational Goals: 20%, including (1) customer satisfaction, (2) Company growth, (3) cost management, and (4) health and safety. Individual goals specific to each employee: 30%.	\$ 1,868,000	\$ 1,594,900	\$ 1,594,900	\$ -
4	Goals Incentive Program	Net Income: 50%	Operational Goals: 50%, including (1) customer satisfaction, (2) Company growth, (3) cost management, and (4) health and safety.	\$ 6,743,900	\$ 5,883,500	\$ 5,883,500	\$ -
5	Long Term Incentive Plan	100% from Cumulative 3-Year EPS (Earnings per Share), subject to meeting 3-Year ROIC (Return on Invested Capital) threshold, and subject to a modifier for TSR (Total Shareholder Return) comparison to Russell 2500 Utilities Index.	none	\$ 2,466,000	\$ 2,049,000	\$ 2,049,000	\$ -
6	Stock Expense (RSU)	Return on Equity: 100%	none	\$ 1,760,200	\$ 1,574,500	\$ 1,574,500	\$ -
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CASE: UG 388
WITNESS: HEATHER COHEN

**PUBLIC UTILITY COMMISSION
OF
OREGON**

STAFF EXHIBIT 418

**Exhibits in Support
Of Opening Testimony**

April 17, 2020

NWN UG 388
Incentive Adjustment using 3 Year Model and Commission Policy on Allowable Incentives
Actual 12/31/2018 to Proforma 10/31/2021

Explanation: Incentives are adjusted threefold; 1) using a 3-year model similar to the wage & salary adjustment; 2) to reflect the reduction in FTE; and, 3) reduction due to Commission policy on allowable incentives.

Line No.	Source	Officers	Exempt	Non Exempt	Union	Total
DR 280	Test Period Incentive	\$4,638,985	\$6,380,775	\$82,119	\$0	\$11,101,879
(6)+(10)	Staff Proposed Level	\$0	\$3,190,387	\$41,060	\$0	\$3,231,447
(11)-(7)	Net Payroll Adjustment	(\$4,638,985)	(\$3,190,387)	(\$41,060)	\$0	(\$7,870,432)
SDR 93	O&M Expense as % of Payroll Exp	63.40%	63.40%	63.40%	63.40%	63.40%
SDR 93	O&M Expense Adjustment - System wide	(\$2,941,116)	(\$2,022,706)	(\$26,032)	\$0	(\$4,989,854)
SDR 93	Oregon Allocation Factor	1	1	1	1	1
(14)*(15)	O&M Expense Adjustment -Oregon	(\$2,941,116)	(\$2,022,706)	(\$26,032)	\$0	(\$4,989,854)
SDR 93	Rate Base as % of Payroll Exp	36.600%	36.60%	36.60%	36.60%	36.60%
(12)*(17)	Rate Base Adjustment - System wide	(\$1,697,868)	(\$1,167,682)	(\$15,028)	\$0	(\$2,880,578)
(18)*(15)	Rate Base Adjustment - Oregon	(\$1,697,868)	(\$1,167,682)	(\$15,028)	\$0	(\$2,880,578)
ck		(\$4,638,985)	(\$3,190,387)	(\$41,060)	\$0	(\$7,870,432)
		(\$4,638,985)	(\$3,190,387)	(\$41,060)	\$0	(\$7,870,432)
		\$0	\$0	\$0	\$0	\$0

CASE: UG 388
WITNESS: HEATHER COHEN

**PUBLIC UTILITY COMMISSION
OF
OREGON**

STAFF EXHIBIT 419

**Exhibits in Support
Of Opening Testimony**

April 17, 2020



Rates & Regulatory Affairs
UG 388
2020 OR General Rate Revision
Data Request Response

Request No.: UG 388 OPUC DR 361

361. Referring to the Company’s response in DRs 280-283, please provide the amount of Officer Incentives and Other Executives incentives (Officers) capitalized in Plant Costs.

Officers’ Incentives Capitalized in Plant			
Calendar Year	NWN	Allocated to Oregon Jurisdiction	Allocated to Oregon Jurisdiction and included in rate base
2015	\$	\$	
2016			
2017			
2018			
2019			
Total	\$	\$	

Response:

Please see “UG 388 OPUC DR 361 Attachment 1” for the complete table. The ‘NWN’ column consists of goal incentive, LTIP (long-term incentive plan) and stock expense (restricted stock units and employee stock purchase plan) dollars capitalized in plant. The ‘Allocated to Oregon Jurisdiction’ column uses the rate base allocation to determine the estimated amount allocated to Oregon. The rate base allocation is calculated by taking the average total rate base for Oregon and dividing it by the total System rate base for that year. Lastly, the “Allocated to Oregon Jurisdiction and included in rate base” column does not change from the “Allocated to Oregon Jurisdiction” column because there are no adjustments between the Oregon allocated amounts and what amounts are included in rate base.

NW Natural
UG 388 OPUC DR 361 Attachment 1

Year	Officer Incentives	NWN	Allocated to Oregon Jurisdiction
2015			
	Goals Incentive Program	\$ 563,872	\$ 509,740
	LTIP	\$ 386,900	\$ 349,758
	Stock Expense	\$ 149,914	\$ 135,522
2016			
	Goals Incentive Program	\$ 480,342	\$ 432,870
	LTIP	\$ 331,100	\$ 298,377
	Stock Expense	\$ 153,705	\$ 138,515
2017			
	Goals Incentive Program	\$ 453,906	\$ 406,196
	LTIP	\$ 284,544	\$ 254,635
	Stock Expense	\$ 165,898	\$ 148,460
2018			
	Goals Incentive Program	\$ 468,852	\$ 414,662
	LTIP	\$ 237,955	\$ 210,452
	Stock Expense	\$ 171,984	\$ 152,106
2019			
	Goals Incentive Program	\$ 568,338	\$ 500,388
	LTIP	\$ 138,630	\$ 122,055
	Stock Expense	\$ 185,931	\$ 163,701

Allocated to Oregon Jurisdiction
and included in rate base

Rate Base Allocation

\$	509,740	2015	90.40%
\$	349,758	2016	90.12%
\$	135,522	2017	89.49%
\$	432,870	2018	88.44%
\$	298,377	2019	88.04%
\$	138,515		
\$	406,196		
\$	254,635		
\$	148,460		
\$	414,662		
\$	210,452		
\$	152,106		
\$	500,388		
\$	122,055		
\$	163,701		