



LOCAL 1-2 UPDATE

DETAILED SUMMARY OF CON EDISON AGREEMENT

Duration: 4 Years

Wages: **2008** **2009** **2010** **2011**
 2% (June 29, 2008) 3 ½ % 3 ½ % 3 ½ %
 2% (Jan. 4, 2009)
over 4% with compounding

This means that your wages will increase by about 15.4 % with compounding over the life of the Agreement. Some examples of how this impacts given job classifications is shown below:

Title	Present Max	June 08 2%	Jan 09 2%	June 09 3.5%	June 10 3.5%	June 11 3.5%
Distribution Splicer	\$39.30	\$40.09	\$40.89	\$42.32	\$43.80	\$45.33
Mechanic "A"	\$36.33	\$37.06	\$37.80	\$39.12	\$40.49	\$41.91
Mechanic "B"	\$31.04	\$31.66	\$32.29	\$33.42	\$34.59	\$35.80
Customer Field Rep *	\$33.17	\$33.83	\$34.51	\$35.72	\$36.97	\$38.26
Office Assistant	\$31.17	\$31.79	\$32.43	\$33.56	\$34.74	\$35.95
Troubleshooter H.V.	\$41.26	\$42.09	\$42.93	\$44.43	\$45.98	\$47.59

* = \$1.25 increase to pay prior to any percentage increase

Progression: Anyone in a Senior Title who has not reached maximum pay in 8 years will automatically be bumped to max for his or her title, provided the employee has received at least 16 progression increases while in the title and has successfully completed all testing and job training for the title. Any employee who did not receive 16 progression increases by the end of the 8 years will be increased to maximum pay upon receiving the 16th progression. Similarly, Customer Field Representatives, Customer Service Representatives and Junior Accountants will move to the max for their titles after 12 years in title. All of these increases become effective on the first Sunday in July after completion of the required time and progressions. Almost all employees in other titles (e.g., GUW and Mechanic B) move up to Senior Titles in 5 years or less; and so this new progression plan does not apply to them. Although this plan is only in effect during the term of this Agreement, it is anticipated it will become permanent and improved if it is successful in operation.

Pension: When reaching pension eligibility, i.e. at least 55 years of age with at least 30 years of service: 1% for every subsequent year of service between July 1, 2008, and June 30, 2012.

Example: 59 years of age with 34 years of service as of June 30, 2012: 52% of final 4 year average (instead of 50% under current plan).

In addition, we successfully fought off the Company's effort to force all new employees into a Cash Balance Pension. As described in the enclosed letter from President Farrell, if Con Edison had been successful in that effort, it was only a matter of time before it tried to reduce everyone's pension to Cash Balance. All new hires will continue to be covered under our defined benefit plan. We also forced the Company to withdraw its proposal that would have effectively forced any employee who is injured on the job to pay for his/her Workers Compensation claim out of the employee's pension.

Medical:

Your weekly contribution to the medical plan will only go up by \$2.00 – i.e., from \$36 to \$38 per week for individual coverage and from \$62 to \$64 per week for family coverage –effective January 1, 2009; and will remain the same for the balance of the Agreement.

There will, however, be increases in your co-pays and deductibles. It is well known that medical costs are soaring; and without these increases, your contribution rate would have sky-rocketed. For example, the co-pay for an office visit under Choices 1 and 3 will increase to \$22 on January 1, 2009, to \$24 on January 1, 2010, to \$26 on January 1, 2011, and to \$28 on January 1, 2012. The annual medical deductibles for Choices 1, 2 and 3 will go to \$500 per individual/\$1500 per family on January 1, 2009, and to \$550/\$1650 on January 1, 2011. The annual hospital deductible for those 3 Choices will increase to \$250 per person effective January 1, 2009, and to \$350 effective January 1, 2011. There will be proportionate increases for Choices 6 and 7.

Your negotiators worked hard to limit these increases as above. The Company was demanding that your weekly contributions jump to \$44 in 2009 for individuals, \$85 for families, and continue to climb to \$52 and \$108, respectively, by January 2012. It wanted your medical deductible to be \$650/\$1950 by the end of the Agreement and your hospital deductible to rise all the way to \$550 per person. Keeping your medical costs down became a central battle in these negotiations.

Similarly, the Company wanted to raise your prescription plan deductible from \$50 per family to \$130 per person. Unfortunately, despite your negotiators' efforts, there will still be some increase in that deductible, to \$100 per family effective January 1, 2009, to \$125 per family effective January 1, 2010, to \$150 per family effective January 1, 2011, and to \$175 per family effective January 1, 2012.

There will also be increases in the co-pays for your prescription drugs. For brand name medications, the co-pay at the pharmacy will become \$23 on January 1, 2009, \$26 on January 1, 2010, and \$29 on

January 1, 2011; while it will be \$12 on January 1, 2009 for generic drugs, \$14 on January 1, 2010, and \$16 on January 1, 2011. The co-pays for mail orders will be \$17 on January 1, 2009, \$19 on January 1, 2010, and \$21 on January 1, 2011, for brand names; and \$8 on January 1, 2009, \$10 on January 1, 2010, and \$12 on January 1, 2011, for generic medications. There will not be any increase in 2012 for any of these co-pays. The Company was trying to force you to have co-pays of \$36 (brand name) and \$20 (generic) at the pharmacy, and \$25 (brand name) and \$13 (generic) by mail.

The Company is required to use all reasonable efforts to have CVS stores accept prescriptions on the same basis as Caremark mail orders. If the Company is successful, as we expect it to be in the very near future, you will be able to walk into your neighborhood CVS and fill your prescriptions at the low-cost mail order co-pay.

The increase of the annual deductible for dental benefits was also limited through these negotiations. It will increase to \$125 on January 1, 2009, to \$150 on January 1, 2010, and to \$175 on January 1, 2011, for participating dentists; and to \$250 on January 1, 2009, and to \$300 on January 1, 2011 for dentists outside the program. The Company was looking for increases to \$300 deductibles for visits to participating dentists and \$400 for non-participating dentists.

Hearing Benefits: Your maximum benefit for hearing tests and hearing aids has been increased from \$2000 lifetime to \$3500 effective January 1, 2009.

401k Plan: The maximum “participating contributions” – i.e. the hourly amount deducted from your pay, if you so choose, which Con Edison will meet at 50% - will increase 3 cents (per hour) on January 1 of each year of this Agreement, ending with \$1.29 per hour as of January 1, 2012. In addition, beginning in January 2010, the use of gross pay percentages when making deductions for “non-participating contributions” will be eliminated.

Life Insurance: The Company-paid Life Insurance will increase from \$30,000 to \$50,000 on January 1, 2009, at no cost to you.

Safety Shoes: Effective January 1, 2009, your annual safety shoe allowance will increase from \$125 to \$140 (plus \$10 for Sanky foot protection). In addition, to the extent that you do not use your full allowance for safety shoes, you may apply it to other safety-related clothing, provided that clothing is on the pre-approved list, you have a valid receipt and you submit only one request per calendar year for reimbursement.

Change in Work Schedule: The notice from the Company for Change of Schedule is being reduced from 48 hours to 40 hours. The Company initially tried to reduce the time to 24 hours. While we were able to get it to modify that proposal, the Company’s Negotiators insisted that there would not be any agreement on wage increases or anything else unless it

got the notice period reduced to 40 hours. The Company was so upset that we defeated its Cash Balance Pension program and its effort to minimize your wage increases, it insisted, in its pettiness, on this proposal even if the only alternative was a strike.

Travel Pay: When overhead employees have to travel to the territory of other utility companies to assist them, they will receive \$75 per day in lieu of meal allowances; and will be paid double-time for time actually worked, including travel time, as well as pay in accordance with Paragraph 16(d) of the Agreement should a holiday fall during such an assignment.

C.F. R.s: There will be an immediate \$1.25 per hour increase for all C.F.R.s who perform T&T, in addition to their general wage increase. In addition, the maximum rate for the CFR "X" schedule increases from \$31.92 per hour to \$33.17 per hour before the June 29, 2008, general wage increase. Incumbent Non "X" CFRs who currently perform T&T work will be reclassified into the "X" schedule and get their \$1.25 increase; and those who qualify to perform T&T work after June 29, 2008, will be reclassified into the "X" schedule and receive their \$1.25 per hour increase at that time. All CFRs who do not perform T&T work will be classified as Non "X". Those who perform T&T work will remain in Customer Operations for 12 months from the date of their qualification for that work. All CFRs will remain in their title for 18 months before being eligible for promotion or transfer. However, they are eligible to test for GUW positions after one year and, after successfully passing, those results will remain in effect for 5 years.

In addition, any incumbent CFRs who perform routing duties will be reclassified as of June 29, 2009, to the new title of Router. The maximum wage rate for that position is set at \$33.48 effective June 28, 2008, and will rise with all general increases under this Agreement.

The maximum pay for Senior CFRs will be increased to \$35.23 per hour effective June 28, 2008, so that it will be further increased by each of the general wage increases under this Agreement. In addition, all incumbent SCFRs who qualify to perform T&T work will receive the one-time \$1.25 per hour increase and will remain in that title for 12 months from the date of qualification for the title. Senior CFRs will have their duties expanded to include CT meter exchange work, in the course of doing AMR installation, with the exception of 265/477 volt meters; and, effective June 29, 2008, will receive a one-time wage increase of 50 cents per hour once they have successfully completed training and qualification.

The title of ACFR will be retained only for incumbents, who will be required to test, train and qualify for CFR positions as operational needs require. However, those ACFRs who do not qualify shall retain their ACFR title.

- CSRs:** The Company will provide travel vouchers from the call center to home for all CSRs and Senior CSRs who work unscheduled overtime between 12:01 AM and 5:30 PM.
- Boiler Operators:** Station Operators in Steam Operations who acquire (or who have acquired) a stationary engineer's license on or after June 27, 2004, will get a one-time bonus of \$2000.
- Service Mechanics:** This title will only be retained for incumbents in Gas Operations and thus phased out for that department.
- Troubleshooters:** All incumbent Troubleshooters immediately go to maximum pay for the title; any new Troubleshooters will be placed on a fast-track progression to reach max, with their wage rate being increased by \$2.00 an hour in January 2009 and again in January 2010; and by \$2.50 an hour in January 2011 and again in January 2012. Troubleshooter Dispatchers maximum pay rate will be brought into parity with Troubleshooter max, as will the pay of Chief Line Constructors HV. Employees in the titles of Troubleshooter HV, Distribution Mechanic A, Cable Lead Mechanic, Distribution Splicer and Chief Line Constructor HV in Electric Operations are required to complete at least 18 months in those titles before they are eligible for promotion or transfer, unless the Company grants a waiver.
- Transmission Ops:** The maximum pay for the title of Chief Line Constructor Special will be increased from \$40.73 to \$44.60 per hour before the June 29, 2008, general wage increase is applied.
- Survey Field Designer:** A new title of Survey Field Designer is created effective June 28, 2008. It will replace the Surveyor Licensed title. The maximum pay for the new title, before the application of any general wage increase, is \$40.43. Survey Field Designers will have to perform the duties of the Surveyor and can be required to prepare preliminary design drawings.
- Vehicle Use:** Any employee who uses his/her own vehicle for work during a storm or other emergency will be reimbursed by Con Edison at the rate of \$135 per day. This will cover use of the vehicle, tolls, gas and other expenses for use of the vehicle. Any claims liability will be covered by the Company under its Storm Recovery Guide. Employees who receive mileage allowance are excluded from this provision.
- Productivity Incentive:** The Productivity Incentive established by a side letter to the 2004 contract died by its own terms after the pay-out in February 2008. That contract did not provide for any Productivity Incentive for this year or after. Con Edison

refused to have any reasonable program to encourage attendance and productivity to replace it.

THE COMPANY'S OTHER DEMANDS

What the Company did propose instead of any attendance incentive was to limit your sick leave and to exclude anyone with less than 10 years from the C-6 program. Those demands remained on the table until just before contract expiration. Your Union fought for and maintained the existing programs. You will still earn one week of sick leave (your full straight-time pay) for each year of service plus 80% of your straight-time pay for up to another 26 weeks.

Further, you will still be paid your wages on a weekly basis.

In addition to the Company demands discussed above and in President Farrell's accompanying letter (e.g., the Cash Balance Pension, deducting your Workers Compensation award from your Pension, huge increases in your contribution for your health coverage), it also was insisting, until the final hours, on:

- Reductions in Overtime Pay and Meal Allowance
- Cuts in Midnight and Night Premiums, including limitations of the hours for which premium is paid, decrease in the percentage of premiums and elimination of premiums except for hours actually worked
- Make a greater portion of your wage increase dependent on your supervisor's determination of your "merit"
- Increase qualification requirements to move within a job "family"
- Require employees in certain titles to be locked into those positions for 3 years before they could be promoted or transferred
- Increase the probationary period, which would increase the period when management could fire a new employee at whim and, of course,
- Minimal wage increases.

This summary has provided you with information about all the provisions of the Agreement, warts and all. The full Memorandum of Agreement is available for your review, by appointment only, at the Union's office.

No contract is perfect. No one can ever get everything it wants. But, on balance, this is a very, very good Agreement for you and your families. The Officers of Local 1-2 therefore recommend that you vote to ACCEPT the 2008 Agreement with Con Edison.