



LOCAL 1-2 UPDATE

DETAILED SUMMARY OF CON EDISON AGREEMENT

Duration: 4 Years

Wages:	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
	2%	2 ½ %	3%	3%
	Plus \$1,200 ratification bonus	Plus \$600 lump sum		

The \$1200 ratification bonus is equivalent to about 2% of the average members pay, and the \$600 lump sum next year adds another 1%. In addition to these bonus amounts, your base wages will increase by about 11 % with compounding over the life of the Agreement. Some examples of how this impacts given job classification is shown below:

Title	Present Max	June 12 2%	June 13 2 ½%	June 14 3%	June 15 3%
Distribution Splicer	\$45.33	\$46.24	\$47.39	\$48.81	\$50.28
Mechanic "A"	\$41.91	\$42.75	\$43.82	\$45.13	\$46.49
Mechanic "B"	\$35.80	\$36.52	\$37.43	\$38.55	\$39.71
Customer Field Rep	\$36.81	\$37.55	\$38.48	\$39.64	\$40.83
Office Assistant	\$35.96	\$36.68	\$37.60	\$38.72	\$39.89
Troubleshooter H.V.	\$47.60	\$48.55	\$49.77	\$51.26	\$52.80

Progression:

Despite Con Ed's efforts to end it, we were able to keep the Wage Acceleration Program, under which 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 still 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 progression plan does not apply to them.

If you received a written warning during a progression period and consequently lost your progression, it will no longer cause you to lose your merit as well. Similarly, if the written warning caused you to miss your merit, it will no longer cause you to miss your progression. We have at last ended double jeopardy for written warnings!

Pension:

As you have probably heard, the Company would not sign a new agreement without a cash balance pension. Its first proposal was to put anyone hired after July 1, 2001 into that plan. We fought them hard and long; and eventually the affected group would only be new hires. Your Union remained very concerned about Con Ed management trying to come after your pension in the future. On the very last day of negotiations, we obtained their written pledge that your defined benefit pension is protected through July 1, 2037; and they cannot even try to change your pension protection before then! Without that written assurance, you would have had Con Ed coming back to us every four years to try to push you into the cash balance.

Your negotiation team also fought off the Company's effort to move the retirement age to 60 and to remove the cost of living adjustment to your pension.

Medical:

The weekly claims under your medical plan have sky-rocketed in recent years. As a result, Con Ed insisted that you pay much, much more in your weekly contribution, in your co-pays, and deductibles. The company wanted you to pay \$157 per week by the end of this contract, with a family deductible between \$1200 and \$2800, for in-network care, and between \$2250 and \$5600 for out-of-network, depending on which "choice" you selected. Although your weekly cost and deductible still had to go up, we were able to keep them within reason. For example, the family deductible for Choice 1 will be \$750 for in-network care, both medical and hospital combined, and \$1950 for out-of-network. As of January 1, 2013, your co-pay for your primary doctor will actually be reduced, to \$25, for your primary doctor, although there will be the slight increase to \$31 for Specialists. Your preventive care is covered 100% in-network. Choice 1 will pay 90% of your in-network medical and hospital costs (after the deductible is paid), and 100% of your medical and hospital costs once you have satisfied the annual out-of-pocket limit of \$1000, for a single, or \$2500 for a family in Choice 1. The out-of-pocket limits for out-of-network care for Choice 1 will be \$1700 for single and \$5100 for family.

Your prescription deductible will increase to \$200 per family as of January 1, 2013, but the co-payment for generic drugs will decrease slightly to \$15. It is well known that medical costs are soaring, and without these increases, your contribution rate would have sky-rocketed. Contrary to what Con Ed tried to force on you by its lockout, however, all co-pays, co-insurance, deductibles and annual maximums will remain unchanged throughout the period of this contract.

As it is, the contribution rates will increase, but far less than Con Ed tried to impose. The weekly deduction from your pay for Choice 1, including Dental Choice 1, will be \$76 beginning January 1, 2013 for family coverage, and \$46 for single coverage. You will be able to reduce that amount by \$2.00 per week if you fill out a Health Assessment with Cigna during the Open Enrollment Period this year. That reduction will increase to \$3.00 per week as of January 1, 2014, by filling out the Health Assessment during the 2013 and each subsequent Open Enrollment Period. As of the Open Enrollment Period in 2014, you can get an additional \$2.00 reduction of your weekly contribution, beginning the following January 1, 2015 when your spouse also fills out the Health Assessment. *(Please note that these Health Assessments are confidential and are only to be used by Cigna to help you improve your health)*. The employee contribution for 2014 and thereafter will be determined by a formula which depends on the rise or decrease of actual overall costs of claims in the prior year, with a cap for each year. The most that Choice 1, including Dental Choice 1, can cost you in 2016 is \$55 for single coverage and \$94 for family coverage. Again, these amounts can be reduced to \$52 and \$89 by filling out the Health Assessments (including by your spouse for family coverage), and can be reduced even further if the costs do not increase as much as expected.

Con Ed and your Union Local 1-2 are to establish a joint committee, assisted by an expert advisor, to develop programs which will improve your health, your families' health. This help to control costs without shifting any more of the burden on you. We will, of course, keep you advised as the programs are developed.

There will also be a new Choice 2, with higher co-pays and deductibles than Choice 1, but with slightly lower weekly contribution rates; and a Choice 3, which will be what is known as a "high deductible" plan. Con Ed will put money into a fund for the use of the employees enrolled in Choice 3.

The present HMO programs, Choices 4 and 5 will continue as well. You will need to review all of these programs very carefully, during this year's Open Enrollment Period. When you have the full details on how each Choice will operate in 2013 you then can determine which is best for you and your family. However at this time, we cannot recommend Choice 3.

Your negotiators worked very hard to limit the increases as above. With the Health Assessment reductions, your contribution rate will only be about half what the Company was demanding when it locked you out. Your co-pays, co-insurance, deductibles and annual maximum limits are also far, lower than what Con Ed tried to impose. While none of us is happy about having to pay more for health care, your Union has saved you thousands of dollars per year from what Con Ed wanted you to pay, as it attempted to follow the “trend” of shifting every significant portion of those costs to you.

For those employees who have adequate health coverage elsewhere (such as through a spouse who is not employed by Con Ed or O&R), effective January 1, 2015, you may opt out of all of the choices, for both medical and dental during the prior Open Enrollment Period, and receive an Opt-Out payment of \$10 per week.

Hearing Benefits:

Your maximum benefit for hearing tests and hearing aids has been maintained.

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 4 cents (per hour) on January 1 of each year of this Agreement, ending with \$1.45 per hour as of January 1, 2016. In addition, Con Ed will match 100% of the “participating contributions” of those employees who are covered by the cash balance plan.

Meal Money:

Effective January 1, 2013, your meal money will increase to \$12.25, as of January 1, 2014 increased to \$13.25, as of January 1, 2015 increased \$14.25, and as of January 1, 2016 increased to \$15.00. *This will apply to the meal allowance when you have worked at least 10 hours and to that after 16 hours.*

Wellness Visit:

You will be entitled to a half day (4 hours) off with pay to see a medical provider designated by the Company for a wellness visit. This will be annual for anyone age 40 or above, once every two years if you are between 30 and 39 and once every three years if you are 29 or younger.

Car Allowance:

The car allowance, starting with the payment in December 2012, will increase to \$650 per year if Con Ed requires you to use your car on the job on a regular basis. The \$135 allowance for the use of your vehicle during a storm (or other emergency) will now be incorporated into the body of the collective bargaining

agreement instead of being a letter agreement. As before, this \$135 per day allowance does not apply to those who are already receiving a car allowance under the Agreement.

Safety Shoes:

Effective January 1, 2013, your annual safety shoe allowance will increase from \$140 to \$170 and to \$200 for Cycle Meter Readers, (plus the continuation of the \$10 for Sanky foot protection). If you do not use your full allowance for safety shoes, you may still apply it to other safety-related clothing, provided the clothing is on the pre-approved list, and you have a valid receipt. You will now be allowed to submit a request for reimbursement each time you use this safety shoe allowance.

Stipend for Cycle Meter Readers:

Full time CFRs assigned to Cycle Meter Reading will receive a weekly stipend of \$20 to cover incidental expenses related to his or her job. If weekly expenses are more than \$20, all weekly expenses will be reimbursed if you have a receipt or other proof.

Customer Operations:

The Company and your Union will form a Joint Committee to explore career and educational development opportunities for Customer Operations employees.

Production Techs:

It was agreed that the current Mechanics A and Outside Plant Mechanics A at Farrington will be able to transfer to Production Technician when the Farrington Waste Water Treatment Facility is completed and then test for Senior Production Technician at their earliest opportunity. Transfer and promotion rights for future Production Technician positions were also established.

FR Clothing:

There will be a Joint Committee to explore possible changes in FR clothing and cleaning services. The current practice will continue unless there is an agreement reached prior to December 31, 2012, to make a change.

Contracting Out:

The Contracting Out Committee will have a mutually-agreed economic consultant to help evaluate whether work should be performed in-house instead of contracted out. It is expected that this consultant will help put some teeth in that Committee so that work can be performed by the members of Local 1-2 bargaining unit, instead of contractors.

Hiring New Employees:

We have all been concerned that the number of Local 1-2 employees working at Con Ed has dwindled over the years as the Company failed to hire replacements for people who have left its employ. Con Ed has now agreed to replace at least 75% of all departing employees (instead of just contracting out their work).

Overhead Staffing:

The Letter Agreement on Overhead Staffing remains in effect. Con Ed had tried strenuously to end it, but your negotiating team refused to let that happen.

THE COMPANY'S OTHER DEMANDS

The Company had insisted throughout the negotiations on changing your Sick Leave. Its original proposal was to limit sick leave to ten (10) days per year, and then throw you on the “mercy” of a short-term disability company, all of which are notorious for denying claims. Your Union rejected that demand and all the variations which followed. Finally, as all other matters were being resolved, Con Ed backed off its demand to change your sick leave. In a related move, Con Ed also wanted to restrict the C-6 program to those with ten (10) or more years of service. We said, “NO!” and, as the lockout lengthened, Con Ed dropped that demand.

Con Ed insisted on freezing the maximum wage level for 21 positions. Again, we refused, and, again, Con Ed eventually backed down in the face of your unity during the lockout.

Another management demand was that there would not be any Mutual Aid paid for going to Orange & Rockland. That, too, was not dropped until the last minute.

In addition to the Company demands discussed above, it also was insisting on:

- Requiring you to be present 90% of the time in order to get a progression.
- 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 Sunday premiums.
- Make a greater portion of your wage increase dependent on your supervisor's determination of your “merit”.
- Only pay overtime when you actually work more than 40 hours in one week (i.e., regardless of the number of hours you work in one day).
- Decrease the Meal Allowance (Note, as stated above, that we got you increases in the Meal Allowance).

- Limit employees to only one chance for drug or alcohol treatment before being fired.
- Eliminate the distinction between “X” and “non-X” positions, and allow Con Ed to make any position part-time.
- Require you to launder your FR clothing yourself at your own expense.
- Increase the probationary period, which would increase the period when management could fire a new employee at whim.
- 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, and to get to this point you had to suffer through a lockout that lasted almost four weeks. It was only through your strong support throughout those awful weeks that your Union was able to do as well as we did. No one can ever get everything it wants. But, on balance, this is a very good Agreement for you and your families.

The Officers of Local 1-2 therefore recommend that you vote to ACCEPT the 2012 Agreement with Con Edison.

UTILITY WORKERS UNION OF AMERICA
LOCAL 1-2