

BENEFITS AGREEMENT

between

EPCOR UTILITIES INC.

Of the First Part

and

CIVIC SERVICE UNION 52

THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1007 (POWER)
THE COMMUNICATIONS, ENERGY AND PAPERWORKERS UNION OF CANADA LOCAL 829
CANADIAN UNION OF PUBLIC EMPLOYEES LOCAL 30 (EDMONTON CIVIC EMPLOYEES)

of the Second Part

1. AMENDMENT AND TERMINATION

1.01. This Agreement shall be in force and effect commencing on July 2, 2003 and shall continue in force and effect from year to year thereafter. A party to this Agreement can terminate their participation by written notice to the other parties with a minimum of twelve months notice without effecting the continued participation of the other parties. If amendment is desired, the existing Agreement shall remain in force until the process of negotiation has been completed. Changes in this Agreement agreed upon by the parties hereto, however, may be made at any time provided that such changes are properly finalized in writing and executed by the authorized representatives of the parties to the Agreement.

1.02. Notwithstanding 1.01, if notice is given to terminate this Agreement, the terms and conditions set forth in this Agreement shall then be deemed to become a part of the respective Local Agreement(s) of the union(s), until the expiration of the said Local Agreement(s) or the entering into of a new Benefits Agreement, whichever first shall occur. Upon entering into a new Benefits Agreement, the new terms and conditions set out therein shall then be in full force and effect.

Notwithstanding any of the foregoing, in the event of a strike or lockout, involving any of the unions and EPCOR, this Agreement shall be null and void for the union involved in the strike or lockout effective upon the date of the strike or lockout.

1.03. It is understood that some Local Agreements may contain provisions relating to some of the subject matter covered by this Agreement. Except as otherwise specifically provided for in this Agreement, in the event of conflict between the respective provisions, the Benefits Agreement provisions shall govern. There shall be no pyramiding of benefits under this Agreement on top of similar benefits in the Local Agreement (for example, two sets of disability benefits).

No union or EPCOR shall be allowed to amend any of the provisions within this Agreement except as provided in Article 1.01. In addition, during the term of this Agreement, unions or EPCOR shall not amend any local agreement in such a manner so as to provide Short-term Disability, Long-term Disability, Alberta Health Care, Group Life Insurance, Extended Health, Dental or other employment benefits which are beyond those specifically provided for in this Agreement unless the union is exempt from the specific provisions within this Agreement.

1.04. This program shall be reviewed by a Joint Benefits "Negotiating" Committee

- a) every three years; or
- b) if a greater than 10% reduction in the value of the credits is required to fund cost increases under the plan; or
- c) at such other times as all of the parties mutually agree.

1.05. EPCOR, at its discretion and after discussion with the Joint Benefits "Negotiating" Committee may add new employee groups to the program that arise as a result of new acquisitions, mergers or the establishment of new operations.

2. DEFINITIONS2.01. Union

The word "union" when used in this Agreement shall mean any of the following:

Canadian Union of Public Employees Local 30 (Edmonton Civic Employees)
 The Communications, Energy and Paperworkers Union of Canada Local 829
 The International Brotherhood of Electrical Workers, Local 1007 (EPCOR Unit)
 Civic Service Union 52
 or any union included under 7.03.

2.02. Benefit Year

The words "benefit year" when used in this Agreement shall mean a period of twelve (12) calendar months, commencing with the first day of *July to June 30*.

2.03. Class

The word "class" when used in this Agreement shall mean a group of positions having sufficiently similar duties, responsibilities, authority and required qualifications that a common descriptive title may be used.

2.04. Continuous Employment

The words "continuous employment" when used in this Agreement shall mean continuous permanent or probationary employment with *EPCOR*.

2.05. Employee

The word "employee" when used in this Agreement shall mean a person assigned to a position coming within the scope of a Local Agreement or an employee of *EPCOR* whose position does not fall within the scope of a local agreement.

2.06. Local Agreement

The words "local Agreement" when used in this Agreement shall mean a Collective Agreement negotiated between a Union and *EPCOR*.

2.07. Member

The word "member" when used in this Agreement, in reference to a specific Plan contained herein, shall mean an individual who, through the individual's employment with *EPCOR*, has entered into participation in such Plan in accordance with the requirements of such Plan and has continued to participate in such Plan.

2.08. Monthly Salary

The words "monthly salary" when used in this Agreement shall mean:

Bi-weekly pay at regular rate of pay x $\frac{26.1}{12}$ = Monthly Salary.

2.09. Part-Time Employee

The words "part-time employee" when used in this Agreement shall mean an employee who is a part-time employee in accordance with the terms and conditions of the applicable Local Agreement or *EPCOR* policy in the case of an employee to whom a local agreement does not apply.

2.10. Permanent Employee

The words "permanent employee" when used in this Agreement shall mean an employee who is a permanent employee in accordance with the terms and conditions of the applicable Local Agreement or *EPCOR* policy in the case of an employee to whom a local agreement does not apply.

2.11. Position

The word "position" when used in this Agreement shall mean a specific set of duties and conditions developed for the purpose of assignment to a single incumbent.

2.12. Probationary Employee

The words "probationary employee" when used in this Agreement shall mean an employee who is a probationary employee in accordance with the terms and conditions of the applicable Local Agreement or EPCOR policy in the case of an employee to whom a local agreement does not apply.

2.13. Provisional Employee

The words "provisional employee" when used in this Agreement shall mean an employee who is a provisional employee in accordance with the terms and conditions of the applicable Local Agreement or EPCOR policy in the case of an employee to whom a local agreement does not apply.

2.14. Regular Rate of Pay

The words "regular rate of pay" when used in this Agreement shall mean the rate of pay assigned to a permanent/probationary employee/member for the position to which the employee/member is permanently appointed or serving the required probationary period or trial term thereof; or the rate of pay assigned to a temporary or provisional employee/member for the position to which he/she is staff formed.

2.15. Temporary Employee

The words "temporary employee" when used in this Agreement shall mean an employee who is a temporary employee in accordance with the terms and conditions of the applicable Local Agreement or EPCOR policy in the case of an employee to whom a local agreement does not apply.

2.16. Trial Term

The words "trial term" when used in this Agreement shall mean the trial period of employment of an employee in a permanent position coming within the scope of the applicable Local Agreement.

3. LEAVE OF ABSENCE3.01. Participation in Benefit Plans While on Leave of Absence

Employees granted leave of absence without pay for a period of one (1) complete pay period or more shall be responsible for the full costs of maintaining coverage in the Alberta Health Care Plan and shall, before their leave of absence commences, choose one of the following options:

- (1) make appropriate arrangements through payroll to pay both EPCOR and employee portions of the *Benefits plan* prior to commencing their leave of absence. Such employees shall not be eligible to receive benefits from the *Short-term Disability* or the Long-Term Disability Plan until the period of approved leave has expired.
- (2) make arrangements through payroll section to sign a declaration which provides that the employee will not continue his/her membership in the *Benefits plan* during the period of leave of absence. Employees who sign such declaration shall not be eligible to receive benefits from the Plan until such time as they return to work following the period of leave of absence. Employees who become disabled during the period of leave of absence shall not be eligible to receive *Short-term Disability* or Long Term Disability Plan benefits, upon completion of the period of leave of absence, until such time as they return to work for at least ten (10) consecutive work days.

3.01.01. An employee who does not undertake one of the options provided for in Article 3.01. shall, for all benefit plan purposes, be considered to have selected option number two and will be bound by the conditions therein.

3.01.02. The provisions of Article 3.01 shall apply to an employee who has been granted maternity leave except when such employee is eligible for Supplemental Unemployment Benefits or

Short-term Disability or Long Term Disability Benefits as provided for in accordance with Maternity Leave provisions of the applicable Local Agreement or EPCOR policy in the case of an employee to whom a local agreement does not apply.

4. SHORT-TERM DISABILITY PLAN

4.01. Benefits

- 4.01.01. *The maximum benefit allowance shall be limited to 85 working days in a benefit year.*
- 4.01.02.1. *For all permanent full-time or part-time employees, or employees who are provisional, after 3 incidents of absence in a benefit year, payment will be reduced to 80% of regular wages for each day of absence.*
- 4.01.02.01. *Each period of absence from work due to non-occupational disability which exceeds 3 hours shall be counted as one (1) incident for the purposes of this plan.*
- 4.01.03. *If an employee is in receipt of benefits at 80% of their regular wages on the last day of a benefit year, the employee shall not qualify for STD benefits at 100% of their regular rate of pay until they return to active employment in their regular position for a period of at least ten (10) consecutive working days.*
- 4.01.04. *An absence which occurs within 2 working days of the original absence and is determined to be caused by a continuation of the same condition that caused the first absence shall be considered a continuation of the same incident and not count as a new incident, subject to 4.01.09, STD benefits shall be paid at the same rate as on the first absence.*
- 4.01.05. *An employee who has absences that can be attributed to a chronic illness and who provides documentation from an appropriate medical practitioner detailing the relationship between these absences and substantiating higher than expected absenteeism, subject to 4.01.09, may have these absences counted as one incident.*
- 4.01.06. *STD entitlement for part time employees shall be pro-rated based on the average weekly number of hours worked in the 12 weeks preceding the absence.*
- 4.01.07. *An employee who is in receipt of LTD benefits and who is engaged in approved alternative employment with EPCOR and is unable to perform the duties of the alternative position due to a personal non-occupational disability unrelated to their primary disabling condition shall be entitled to receive STD for each period of absence from work. Such employees shall receive an entitlement equal to the lesser of ten (10) working days or (80) hours of benefits in a benefit year and shall be paid at 100% of the regular rate of pay of the alternative position.*
- 4.01.08. *If an employee is unable to perform the duties of his/her regular position but is capable of performing modified or alternative duties for EPCOR, EPCOR may require that the employee perform such modified or alternative duties until the employee is capable of performing the duties of his/her regular position.*
- 4.01.09. *An employee's eligibility for STD benefits, including his/her ability to perform alternative employment shall be based on medical evidence satisfactory to EPCOR.*
- 4.01.10. *When a question arises as to whether a member's disability is occupational and the disability is under review by the Workers' Compensation Board, the member shall receive Income Protection benefits in accordance with the member's entitlement until the claim is adjudicated by the Workers' Compensation Board, provided the member validates his/her claim in accordance with the provisions of Article 9.06, to substantiate his/her disability. In the event that the Workers' Compensation Board determines that the disability is occupational, the member shall reimburse the *Short-term Disability Plan*, any monies which may be owed to the member, for the period of absence for which the claim is considered occupational and for which the member received benefits under the *Short-term Disability Plan*.*
- 4.01.11. *Except as otherwise provided in this Agreement, the monetary value of *Short-term Disability* benefits payable under this Plan shall be reduced by any amounts the member may be entitled to from the sources set out as follows, whether or not such amounts are provided for the disability for which benefits are being claimed:*

- 4.01.11.01. Benefits from the Canada Pension Plan and/or Quebec Pension Plan, except those Canada Pension Plan and/or Quebec Pension Plan disability benefits payable on behalf of the member's dependents.
- 4.01.11.02. Any monthly income payable as a result of the member's disability from any Plan not personally contracted for by the member including those plans for which the member has made contributions as a result of Provincial or Federal legislation.
- 4.01.11.03. Any other disability benefits payable to the member as a result of Provincial or Federal legislation.
- 4.01.11.04. Any monies received from the Crimes Compensation Board which are specifically provided for loss of income.
- 4.01.11.05. Any monies received from the Workers' Compensation Board either directly or by way of lump sum payments or disability pensions in respect of a disability for which benefits are claimed under this Plan.
- 4.01.12. In the event that an adjustment to the regular rate of pay occurs during the period of time that a member is in receipt of *Short-term Disability* benefits, such member shall receive the adjusted rate of pay effective from the date of adjustment.
- 4.01.13. A member who is compelled to arrange a personal medical or dental appointment during working hours shall be allowed to meet such appointment on *Company* time and without loss of pay, provided that the member is absent from work for a period of three (3) hours or less. Such member shall not be obliged to make up the time spent away from work to keep the appointment.
- Medical and dental appointments which require the member to be absent from work for longer than three (3) hours *may be charged* to banked overtime or vacation credits or *leave for family related responsibility* as applicable for the hours or portion thereof in excess of three (3) hours.
- 4.01.14. Other Benefits While Disabled
- A member who is in receipt of *Short-term Disability* benefits shall continue to be covered under the *Benefit* plans for which the member is eligible based on the member's regular rate of pay. A member shall continue to pay applicable member contributions and *EPCOR* will continue to pay its share of the cost of *EPCOR* benefit plans.
- 4.01.15. Duration of Benefits
- Eligibility for *Short-term Disability* benefits will cease upon the earliest of the following dates:
- 4.01.15.01. The date the member is no longer disabled from performing the duties of his/her regular position, or any alternative employment made available to the member by *EPCOR*.
- 4.01.15.02. The date the member's *Short-term Disability* benefits have been expended.
- 4.01.15.03. The date the member dies.
- 4.01.15.04. In the case of a member who is laid off from *EPCOR*, the date such layoff becomes effective. This clause shall not apply when the period of disability commences prior to the notice of layoff and continues beyond the date such layoff becomes effective.
- 4.01.16. Alternative Employment with *EPCOR*
- If, while in receipt of *Short-term Disability* benefits, a member remains unable, due to personal non-occupational disability, to perform the duties of his/her regular position, but is capable of performing alternative duties for *EPCOR*, and the member engages in such alternative *EPCOR* employment then the *Short-term Disability* benefits payable shall be reduced to the amount by which the member's regular rate of pay exceeds the regular rate of pay of the alternative employment. Such reduced benefits will continue until the member has been unable to perform the duties of his/her regular position for a period equal to the duration for which the member is eligible to receive *Short-term Disability* benefits.
- If, while in receipt of *Short-term Disability* benefits, a member remains unable, due to personal non-occupational disability, to perform the duties of his/her regular position but is capable of performing alternative duties and such alternative employment is offered to the member by

EPCOR and the member does not accept such alternative employment, then *Short-term Disability* benefits will cease on the date the member would otherwise have commenced the alternative employment.

4.01.16.01. If, while in receipt of *Short-term Disability* benefits, a member engages in alternative employment with *EPCOR* and becomes unable due to personal non-occupational disability to perform the duties of such alternative employment, the member will receive *Short-term Disability* benefits based on his/her original regular rate of pay while such disability lasts, until the member has been unable to perform the duties of his/her regular position for a period equal to the duration for which the member is eligible to receive *Short-term Disability* benefits.

4.01.17. Alternate Employment With an Employer Other Than EPCOR

If, while in receipt of *Short-term Disability* benefits a member remains unable to perform the duties of his/her regular position due to personal non-occupational disability but engages in employment for gain, then such member shall be granted *Short-term Disability* benefits equal to the amount by which the member's regular rate of pay exceeds the income from such outside employment. Such benefits shall be payable for a period equal to the duration for which the member is eligible to receive *Short-term Disability* benefits.

4.01.18. If, while in receipt of *Short-term Disability* benefits, a member engages in employment for gain and *EPCOR* has not provided prior approval to the member for such employment, then the member's eligibility for *Short-term Disability* benefits shall cease on the date the member commenced such employment for gain and no further benefits shall be payable to such member from the *Short-term Disability* Plan for such disability. In addition, the member will be subject to discipline up to and including dismissal.

4.02. Recurring Disabilities

4.02.01. If an employee returns to work after a period of disability and becomes disabled again within 30 calendar days of his/her return to work due to causes directly related to the earlier disability, then the second period of disability shall be considered as an extension of the earlier period of disability for the purposes of satisfying the LTD elimination period.

4.02.02. Notwithstanding the provisions of 4.02.01, each period of absence due to personal non-occupational disability shall be considered as one (1) incident.

5. WIND-UP OF FORMER INCOME REPLACEMENT PLAN

5.01. Upon retirement to pension from *EPCOR* or death, members shall receive a lump sum payment from *EPCOR* equal to the amount of their Income Replacement entitlement calculated when that plan was wound-up, escalated in accordance with 5.04.

5.02. Upon resignation, members shall receive a lump sum payment from *EPCOR* equal to one half (½) the amount they would have received had they retired to pension from the service of *EPCOR* on the date of their resignation. For the purposes of this section a layoff shall be considered as a resignation. Members terminated for cause shall not be eligible for a lump sum payment.

5.03. Layoff shall not affect the member's Income Replacement Entitlement provided that the member is rehired not more than twenty-four (24) months after the date on which such layoff occurred. In instances where a layoff of a member exceeds twenty-four (24) months, such layoff will be deemed to be a resignation for the purposes of this section and the provisions of 5.02 shall apply.

5.04. The lump sum payouts which are established for members shall be retained by *EPCOR* until payment is made to the member. Such lump sum payouts shall be increased annually on January 1 according to the percentage increase in the Consumer Price Index for the Edmonton region during the twelve (12) month period ending on the previous November 30 until such time as payment is made to the member.

6. FLEXIBLE BENEFIT PROGRAM - FINANCING

6.01. The employer contribution to the program will be increased each year by the average percentage general wage increase implemented for employees to whom a local agreement

applies during the twelve (12) months prior to the start of the new benefit year. The benefit year will commence with the effective date of the plan.

- 6.01.02 *At its discretion EPCOR may after discussion with the Joint Benefits "Negotiating" Committee, may increase the value of the credits for all members at any time*
- 6.02. *Any increases or decreases in the overall cost of the plans will be funded by adjustment of the credit level &/or employee price tags*
- 6.03. *Benefits and flex credits for part-time employees will be prorated.*

7. FLEXIBLE BENEFIT PROGRAM – ADMINISTRATION

- 7.01. *A Joint Benefits Plan Advisory Committee will be established, which will meet quarterly to review the operation of the plan and consider requests for coverage outside the provisions of the plan. The committee shall make recommendations to the employer on the above items.*
- 7.02. *The Senior Vice President of Human Resources or his designate shall chair the committee. Employees will be represented by one representative of each union and one management employee representative. The employer shall have equal representation.*
- 7.03. *In the event new employee groups are added which are represented by unions that are not parties to the original agreement, provided that new union becomes a signatory to the agreement the union will be represented on the committee as follows:*
 - *if they represent at least 25% of the unionized employees of EPCOR they will have a representative on the committee*
 - *if they do not represent at least 25% of the unionized employees of EPCOR they will have a representative in combination with all other new unions until such time as the total number of members is at least 25%*
 - *it shall be up to the unions to determine who will be their joint representative.*

8. FLEXIBLE BENEFIT PROGRAM - BENEFITS

- 8.01. *Flexible benefit program will contain the provision for Long Term Disability Plan, Group Life Insurance, Extended Health Care and Dental Plans and a Health Spending Account. These provisions shall be in accordance with the contract between EPCOR and the Plan carrier.*
- 8.02. *The provisions of the contract between EPCOR and the Plan carrier will be similar to the plan documented in the EPCOR Employee Benefits Handbook found on the HR Intranet Site under Advantage - benefits by choice.*
- 8.03. *Employees on LTD at the time of the implementation of the flexible benefits program will initially receive benefits under the new program at a level and at a cost that most closely resembles those they would have received had the plan not changed.*

9. LEAVE FOR FAMILY RELATED RESPONSIBILITIES

- 9.01. *All permanent employees are eligible for up to 24 hours of leave with pay for family related responsibilities in each benefit year.*
- 9.02. *These hours may not be carried over into the next benefit year.*
- 9.03. *These hours may be used for the following purposes:*
 - 9.03.01. *The care of a sick child, parent or other immediate defined family member for which the employee is responsible.*
 - 9.03.02. *Attendance at medical or dental appointments for the employee's spouse, their child or their parent.*
 - 9.03.03. *Attendance at medical or dental appointments for the employee in the event the required absence is longer than 3 hours.*
 - 9.03.04. *Childcare in the event that due to reasons that could not have reasonably been anticipated normal arrangements are not available.*

- 9.03.05. *A personal need that requires the employee's immediate attention, is consistent with the items above, and that is approved by EPCOR.*
- 9.04. *An employee wishing to utilize these hours must notify their supervisor prior to the date, where possible. In the case of an emergency, notice should be provided as soon as possible.*
- 9.05. *An employee using leave for family related responsibilities must provide a written explanation to their supervisor either prior to the leave or upon return to work.*

10. PROVINCIAL HEALTH CARE PLANS

- 10.01. EPCOR will cost-share the applicable provincial health care premium at 50 percent of either single or family coverage for all permanent employees.

11. GENERAL APPLICATION OF PLANS

- 11.01. *None of the provisions of the benefits program are arbitrable. Any employee concerns will be reviewed by the Joint Benefits Committee. Matters not resolved may be referred to the Executive Vice-President and CFO or his designate for a final and binding decision. The designate may not be anyone who is a member of the Joint Benefits Committee.*

11.02. Subrogation Rights

- 11.02.01. All members covered by plans provided for in this Agreement do hereby on their behalf and on behalf of their dependents assign to EPCOR, in consideration of coverage pursuant to the terms of said plans, all rights or recovery against any person whose action caused or contributed to an occurrence giving rise to the plans making payments to any such member or his/her dependents. EPCOR shall thereby subrogate to any rights the member or his/her dependents may have against any such third party, for any amounts paid pursuant to the said plans or for which the plans have assumed liability. When the net amount recovered is, after deduction of the costs of recovery, not sufficient to provide complete indemnity for the loss suffered, the amount remaining shall be divided between EPCOR and the member in the proportion by which the loss has been borne by them.
- 11.02.02. The members, on their own and on their dependents' behalf, agree that the said subrogation rights of EPCOR may be exercised by EPCOR bringing action for recovery in the name of the member and/or dependent of the member directly against the third party or by EPCOR assigning its rights of subrogation to the member or member's dependent in care of the solicitor representing such member or member's dependent. Such assignment will be on the basis that EPCOR shall not be obliged to pay, by way of legal fees and costs in connection with collecting monies paid to the member by the plans, an amount exceeding fifteen (15) percent of such claim.

11.03. Limitations and Exclusions

- 11.03.01. Plans shall not make any payment on account of services rendered to the member or to a dependent of the member to which such person is entitled at no cost pursuant to law, or for which there is no cost to the member or his/her dependent because of other insurance against such cost, which has not been personally contracted for by the member.
- 11.03.02. Any provision of the Plans which require alterations due to Provincial or Federal laws or regulations shall be negotiated between EPCOR and the unions.
- 11.03.03. The *Short-term Disability and Long Term Disability* Plans shall not make any payment if a disability results directly or indirectly from:
- 11.03.03.1. committing or attempting to commit an indictable offence
- 11.03.03.2. intentional self-inflicted injury or illness;
- 11.03.03.3. participation in a riot or civil insurrection;
- 11.03.03.4. war, whether declared or undeclared;

- 11.03.03.5. working for gain other than under an approved rehabilitation program;
- 11.03.03.6. active duty with any armed force;
- 11.03.03.7. drug or alcohol abuse unless and only during the time the member is receiving treatment under a rehabilitative program approved by *EPCOR*
- 11.03.03.8. reasons other than personal illness or injury;
- 11.03.03.9. an occupational illness or injury;
- 11.03.03.10. injury or illness for which the member is not continuously under the regular care and attendance of a physician legally licensed to practice in Canada. For disabilities due to mental or emotional disorders the member must be under the continuous care of a psychiatrist licensed to practice in Canada; *EPCOR in its discretion may approve other qualified health care providers such as psychologists.*
- 11.03.03.11. injury or illness for which the member is not fulfilling any treatment process if *determined to be required by a treating health care provider or provider retained by EPCOR.*
- 11.03.03.12. *No Short-term Disability or Long Term Disability benefits will be payable during the period a member is on leave or absence without pay, including maternity leave, unless otherwise specified in this Benefits Agreement.*

11.04 Limitations and Exclusions

- 11.04.01 For the purposes of all *EPCOR* benefit plans (except pension plans) an eligible dependent is defined to be a person in one of the following categories:

a) Spouse:

- Either
- i) legal spouse of the member or,
 - ii) common-law spouse who has co-habited with and been publicly represented as the member's spouse for a continuous two (2) year period or,
 - iii) a divorced spouse, who, as part of a divorce settlement, is dependent on the member for support. Evidence of the dependence of the divorced spouse will be required.

Where a spouse has previously been claimed as a dependent under the plans, a subsequent spouse may be claimed only if the member provides evidence that the second spouse qualifies under either i), ii) or iii) above. In such circumstances the previously claimed spouse shall be deleted.

Under no circumstances will a member be allowed to claim, as dependent, two (2) spouses at the same time.

b) Dependent Children (Children includes natural, legally adopted or step-children)

- i) Unmarried children under age twenty-one (21) who are chiefly dependent on the member for support.
- ii) Unmarried children under age twenty-five (25) who are attending school full-time and who are chiefly dependent on the member for support. Evidence that the child is in full-time attendance at school will be required;
- iii) Unmarried children of any age who are incapable of self-sustaining employment by reason of mental or physical handicap and who are chiefly dependent on the member for support. Medical evidence of the incapacitation will be required.

A child of a common-law spouse who is not also the member's child may be claimed as a dependent only if:

- i) The common-law spouse satisfies the definition of dependent
and
- ii) Evidence is provided that the child is chiefly dependent on the member for support.
- c) Other Dependents
 - i) Any person who is wholly dependent on the member for support and for whom the member is entitled to an income tax deduction. Proof that the person is dependent on the member will be required.

11.04.02 *No Short-term Disability or Long Term Disability* benefits will be payable after the date on which any member's employment is terminated for cause even if such member had been in receipt of benefits prior to and including the date of termination.

11.05 Validation of Claims

- 11.05.01 A member shall complete and submit any form, and perform any reasonable obligation required of him/her by *EPCOR* or the Adjudicators of a plan, to substantiate and/or justify any claim for benefits. In the event that a member refuses to perform obligations required of him/her, any benefits and rights provided by these plans shall be suspended for the period that the member so refuses.
- 11.05.02 An employee/member who is in receipt of benefits from the *Short-term Disability Plan or Long Term Disability Plan* shall ensure that he/she is available at all times during receipt of benefits to perform any reasonable obligations required by *EPCOR* or a Plan Adjudicator to substantiate and/or justify any claim for benefits. An employee/member who leaves the area of their primary work location while in receipt of *Short-term Disability benefits or Long Term Disability benefits*, without obtaining prior approval from *EPCOR* or the appropriate Plan Adjudicator shall not be entitled to receive such benefits for the whole of the period which the employee is outside of the area of their primary work location.
- 11.05.03 A claim for benefits arising from an illness or injury, which occurred outside of the Province of Alberta must be supported by the submission of a medical certificate describing the illness or injury and signed by a licensed physician. Such claims are also subject to validation by one or more of the following processes as may be required by *EPCOR*.
 - 11.05.03.01 the submission of receipts for drugs prescribed during the illness or injury (such drugs to be subject to verification as appropriate);
 - 11.05.03.02 the submission of evidence that the physician from whom treatment was received and/or by whom the medical certificate was signed is a medical practitioner in good standing with the medical authorities in the province, state or country;
 - 11.05.03.03 completion of a medical assessment by a medical authority appointed by *EPCOR* or Plan Adjudicator;
 - 11.05.03.04 such other processes as may be necessary to validate the claims.
- 11.05.04 An employee who has been absent from work due to a personal disability may be required to produce a medical certificate signed by a licensed physician which states that such employee is medically fit to return to the duties of his/her position in order to be eligible to return to work.
- 11.05.05 An employee/member shall be responsible for ensuring the accuracy and validity of all claims.

11.06 Medical Review Process

- 11.06.01 **Union or employee concerns and/or appeals respecting the administration of the Long Term Disability plan as underwritten by the Insurer shall be brought to the attention of *EPCOR's* Disability Management Coordinator. The Disability**

Management Coordinator shall refer the concern or appeal to the medical consultant retained by EPCOR.

- 11.06.02 In the event that the medical consultant supports the Union or the employee concern and/or appeal, then EPCOR agreed to forward and represent this concern and/or appeal on behalf of the Union or employee with the Insurer.
- 11.06.03 In the event that the medical consultant does not support the Union or the employee concern and/or appeal the parties agree that there shall be a joint medical review meeting convened between EPCOR, the Union and the medical consultant retained by EPCOR.
- 11.06.04 It is further agreed that an independently selected medical consultant who is mutually agreed to by the parties shall chair this medical review. At this meeting each of the parties shall have the opportunity to present their medical evidence and any other relevant information or documentation to the independent medical consultant. Following the joint medical review meeting the independent medical consultant shall provide a final decision on the matter to each of the parties. Based on the decision, EPCOR and/or the Union would take the appropriate action with the Insurer or the employee.
- 11.06.05 The cost of the medical review process will born by the Company.

11.07 Benefit Entitlement During Full-time Employment With The Union

An employee/member who has been granted leave of absence without pay for the purpose of performing full-time Union business shall be responsible for making the employee/member contributions to the Plans, and the Union shall be responsible for making the EPCOR contributions to the Plan in respect of such employee/member and the employee/member shall be eligible for benefits in accordance with the terms of the Plans. The regular rate of pay for such employee shall be the rate of pay received by the employee from the applicable Union except that Pension Plan contributions shall be determined by the regular rate of pay prescribed by the applicable pension board.

11.08 Benefit Entitlement During Layoff

Employees who are laid off from EPCOR shall cease to be members of any benefit plans commencing on the effective date of layoff, unless specified otherwise in this Agreement.

12 ADMINISTRATION OF PLANS

- 12.01 In the event that a Plan makes a payment to a member which exceeds the amount which the member is entitled to receive according to this Agreement, EPCOR shall deduct from the member's pay cheque a dollar amount equivalent to the dollar amount which the employee received in excess of his/her entitlement.
- 12.02 The parties agree that although benefit entitlements in this Agreement are expressed in days or portions thereof, EPCOR may administer these benefits in hour equivalents provided there is no reduction in benefits as a result.

SIGNED this 30th day of Oct, A.D. 2003

THE UNIONS

Bill A. R.

John Moore

H. J. Cannon

H. J. Cannon

EPCOR

[Signature]

Witnessed By:

[Signature]

Addendum to the BENEFITS AGREEMENT

between

EPCOR UTILITIES INC.

Of the First Part

and

CIVIC SERVICE UNION 52
THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1007 (POWER)
THE COMMUNICATIONS, ENERGY AND PAPERWORKERS UNION OF CANADA LOCAL 829
CANADIAN UNION OF PUBLIC EMPLOYEES LOCAL 30 (EDMONTON CIVIC EMPLOYEES)

Of the Second Part

2003 BENEFIT RENEWAL

The following provisions apply to the 2003 Benefit year, which runs from July 1, 2003 to June 30, 2004.

6. **FLEXIBLE BENEFIT PROGRAM - FINANCING**

- 6.01. Credits for the 2003-benefit year will be increased by 4% to \$936 for each permanent full time employee.
- 6.02. Employee price tags and credits for the 2003 benefit year will be generally consistent with those presented to the Benefit Negotiating Committee on April 10, 2003, attached as Appendix A.

SIGNED this

30th

day of

Oct

, A.D. 2003

THE UNIONS

EPCOR

B. A. O.
[Signature]
[Signature]
[Signature]

[Signature]

Witnessed By:

[Signature]

Appendix A - 2003 Employee Prices and Credits

EPCOR Cost per Employee

| | July 01 - June 02 Actual | July 02 - June 03 Proposal (Forecast) | July 02 - June 03 Reforecast | July 03 - June 04 Forecast (No Change) | July 03 - June 04 Forecast (With Credit Reduction) | July 03 - June 04 Forecast (With Price Changes) | July 03 - June 04 Forecast (w/ 4% to Credit & Price Changes) |
|-------------------|-----------------------------|---|---------------------------------|--|---|---|---|
| Life | 149 | 153 | 153 | 159 | 159 | 159 | 159 |
| Extended Health | 500 | 556 | 532 | 660 | 660 | 612 | 592 |
| Dental | 675 | 688 | 674 | 734 | 734 | 718 | 702 |
| Sub-total | 1,324 | 1,397 | 1,359 | 1,553 | 1,553 | 1,489 | 1,453 |
| Basic Flex Credit | 721 | 900 | 900 | 900 | 836 | 900 | 936 |
| EPCOR Cost | 2,045 | 2,297 | 2,259 | 2,453 | 2,389 | 2,389 | 2,389 |
| Target | 1,744 | 2,297 | 2,297 | 2,389 | 2,389 | 2,389 | 2,389 |
| Difference | 301 | 0 | -38 | 64 | 0 | 0 | 0 |

| Employee Cost per Employee | | | | | | | |
|----------------------------|-----|-----|-----|-----|-----|-----|-----|
| LTD | 795 | 819 | 819 | 852 | 852 | 852 | 852 |

2003/04 target inflated at 4% per year, for illustration purposes only

Employee Prices and Credits

| EHC Prices | EE | | | EE | | | EE | | | EE | | | Pricing Option Chosen | | |
|----------------------|---------------------|------|------|----------------------|------|------|---------------------|------|------|---------------------|------|-------|-----------------------|------|-------|
| | EE | EE+1 | EE+2 | EE | EE+1 | EE+2 | EE | EE+1 | EE+2 | EE | EE+1 | EE+2 | EE | EE+1 | EE+2 |
| Essentials | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Comprehensive | 110 | 220 | 330 | 143 | 286 | 429 | 143 | 286 | 429 | 163 | 326 | 489 | 172 | 344 | 516 |
| Enhanced | 250 | 500 | 750 | 325 | 650 | 975 | 325 | 650 | 975 | 371 | 742 | 1,113 | 390 | 780 | 1,170 |
| Dental Prices | | | | | | | | | | | | | | | |
| Essentials | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Comprehensive | 60 | 120 | 180 | 67 | 134 | 201 | 67 | 134 | 201 | 70 | 140 | 210 | 74 | 148 | 222 |
| Enhanced | 230 | 460 | 690 | 258 | 516 | 774 | 258 | 516 | 774 | 271 | 542 | 813 | 284 | 568 | 852 |
| Credits | | | | | | | | | | | | | | | |
| EHC Opt-out* | 60 | 60 | 60 | 78 | 78 | 78 | 78 | 78 | 78 | 89 | 89 | 89 | 94 | 94 | 94 |
| Dental Opt-out* | 140 | 140 | 140 | 157 | 157 | 157 | 157 | 157 | 157 | 165 | 165 | 165 | 173 | 173 | 173 |
| | Basic Credit: 3.0% | | | Basic Credit: 24.8% | | | Basic Credit: 0.0% | | | Basic Credit: -7.1% | | | Basic Credit: 0.0% | | |
| | EHC Prices: 0.0% | | | EHC Prices: 30.0% | | | EHC Prices: 0.0% | | | EHC Prices: 0.0% | | | EHC Prices: 14.0% | | |
| | Dental Prices: 0.0% | | | Dental Prices: 12.0% | | | Dental Prices: 0.0% | | | Dental Prices: 0.0% | | | Dental Prices: 5.0% | | |
| | | | | | | | | | | | | | Basic Credit: 4.0% | | |
| | | | | | | | | | | | | | EHC Prices: 20.0% | | |
| | | | | | | | | | | | | | Dental Prices: 10.0% | | |

*Part-time employees receive half the opt-out credit