

2007 Tentative Agreement with IBEW Local 614

PED Tentative Settlement Agreement May 3, 2007

International Brotherhood of Electrical Workers and its Local Union 614 (“Union”) and PECO Energy Company (“Company”) agree that the following provisions and understandings constitute a new, first Collective Bargaining Agreement dated and effective upon ratification.

1. These provisions and understandings include:

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2. This Agreement is subject to necessary “housekeeping” changes, cross reference changes, editorial corrections, and appropriate date changes as may be required to implement the Agreement.

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Wages

A general base wage rate increase will be provided to each eligible* employee as follows:

- A three and five tenths percent (3.5%) increase on January 1, 2008.
- A three and five tenths percent (3.5%) increase on January 1, 2009.
- A three and five tenths percent (3.5%) increase on January 1, 2010.

* Additionally, employees in merit increase jobs who have historically not received General Base Wage Rate increases will continue to receive increases on March 1 of each year based on merit under the current process, including any applicable lump sums, which will average the increases reflected above each year for the merit group as a whole. (See Exhibit A attached.)

Term of Agreement

The term of this Agreement will begin upon ratification and end March 31, 2010.

Incentive Plans

An annual incentive pay opportunity will be provided to eligible employees under the Company's Annual Incentive Plan as follows:

| Year | Payout Date | Threshold | Target | Maximum |
|-------------|--------------------|------------------|---------------|----------------|
| 2007 | March, 2008 | 2.0% | 4.0% | 8.0% |
| 2008 | March, 2009 | 2.0% | 4.0% | 8.0% |
| 2009 | March, 2010 | 2.0% | 4.0% | 8.0% |

The deletion of the 2007 payout date does not affect employees currently scheduled to receive an AIP or QIP award for their 2007 performance. Any such 2007 Award payout will be subtracted from the 2008 Award payout otherwise due. The AIP payout will be considered additional wages in the year of the payout for pension calculations.

Overtime and other applicable wages will be included per FLSA rules.

The Company and Union shall meet and review the goals and parameters of the Annual Incentive Plan (AIP).

It is further agreed that the Company may include an individual performance factor beginning in 2007 or thereafter. Elements of the individual performance factor, if adopted, will include safety and work performance, as well as attendance. This individual performance factor, if adopted, may reduce up to sixty percent (60%) of the total award opportunity available.

Before introducing an individual performance factor, the Company will meet and discuss with the Union the proposed measures of performance. It is understood that any such performance measures must be based upon reasonable and objective indicators of performance.

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BENEFITS

Description of Benefits

Benefits will be offered in accordance with the terms and conditions of following plans, and copies of the applicable Summary Plan Descriptions (SPDs) and any Summary of Material Modifications (SMMs) thereto as of the date of the agreement will be provided by the Company to the Union:

Exelon Corporation Employees' Medical Expense Plan reflecting the changes described in the 2005 Comparing Your Medical Plan Options document.

Exelon Corporation Dental Expense Plan

Exelon Corporation Vision and Hearing Care Plan

Exelon Corporation Employees' Life Insurance Plan

Exelon Corporation Long-Term Disability Plan (including the changes described below under Short-Term Disability and Long-Term Disability)

Your Other Exelon Benefits (SPD includes Spending Accounts, Employee Assistance Program, Long-term Care Insurance and Adoption Assistance)

Exelon Corporation Employee Savings Plan (including the employer matching contribution described below)

Exelon Corporation Cash Balance Pension Plan

Service Annuity Plan of PECO Energy Company

Premiums

Premium costs for the outlined benefits will be based on the Exelon premium rate structure in effect for all other participating active Employees. Future premiums will be based on the premium rate structure established by Exelon for the aforementioned benefits.

Cost Sharing

Cost sharing for the benefits listed in this section will be as follows:

Exelon Corporation Employees' Medical Expense Plan:

PPO Blue, PPO Green and Traditional Plan options: 80% of the premium Company and 20% of the premium Employee.

A working spouse who has coverage available through another employer will pay an additional \$1,000.00 each year for Exelon coverage. The effective date of the new program is January 1, 2008.

A \$1,500 transition lump sum payment will be made prior to December 31, 2007 to each affected employee. Enrollment in the Focused Health program will be voluntary.

HMOs may be offered at the Company's discretion. When offered, the Company's share of the premium will never be more than what the Company pays for the Blue PPO.

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Exelon Corporation Dental Expense Plan:

- Dental PPO 80% Company and 20% Employee for employee only coverage
- Dental PPO 70% Company and 30% Employee for employee and spouse coverage
- Dental PPO 68.9% Company and 31.1% Employee for employee and child(ren) coverage.
- Dental PPO 66% Company and 34% Employee for family coverage,

Exelon Corporation Vision and Hearing Care Plan:

- 0% Company and 100% Employee

Exelon Corporation Employees' Life Insurance Plan:

- Basic Life Insurance and AD&D (1 x Pay) 100% Company and 0% Employee
- Supplemental Life, Supplemental AD&D and
- Dependent Life 0% Company and 100% Employee

Other Exelon Benefits:

- Employee Assistance Program and Adoption Assistance - 100% Company
- Spending Accounts and Long-Term Care Insurance – 100% Employee

Exelon Corporation Employee Savings Plan:

- The employer matching contribution will be 100% of the first 5% of Employee contributions

Pension Plan

Employees hired on or before December 31, 2000 who participate in the Service Annuity Plan will continue to participate in the Plan. All current Employees who have elected to participate in the Exelon Corporation Cash Balance Pension Plan will continue to participate in that Plan, as well as all future Employees.

Retiree Health Care Coverage

Retiree Health Care coverage will be provided under the same terms and conditions as it is provided to non-represented employees.

Short Term Disability

Employees will be provided five (5) sick days each year and up to five (5) sick days are subject to carryover to the next year if not used. The total sick days available in any year is limited to ten (10) sick days.

Employees with less than fifteen (15) years of service will be paid at:

- 100% for the first 12 weeks
- 70% for the next 13 weeks
- Employees will be permitted to purchase coverage for the additional thirty percent (30%) for the last 13 weeks.

Employees with fifteen (15) years or more of service will be paid at 100% for 25 weeks.

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New hires, after the effective date of this Agreement, will be paid at:

100% for the first 12 weeks

70% for the next 13 weeks

and will not be eligible for 100% coverage for 15 or more years of service.

All employees above must use five (5) sick days before starting STD or wait five (5) workdays before STD if sick days are depleted.

Long-Term Disability

Employees will participate in the Exelon Corporation Long-Term Disability Plan with the following schedule of benefits

Company paid coverage will be 50% of base pay

Supplemental coverage will be offered under the same levels as non-Union employees with the Employee paying 100% of the Supplemental coverage

Stock Purchase Plan

The Exelon Stock Purchase Plan will be provided on the same basis as it is provided to non-Union employees.

Tuition Reimbursement Plan

The Exelon Tuition Reimbursement Plan will be provided on the same basis as it is provided to non-Union employees.

Child Care Services

Backup child-care services will be provided on the same basis as it is provided to non-Union employees.

Snow Day Policy (HR-AC-25)

The Snow Day Policy will be provided on the same basis as it is provided to non-union employees.

Benefits Administration

Administration of the Plans, including the selection of vendors, is solely the responsibility of the Company. Changes in administration of the plans will be discussed with the Union prior to implementation. Any such changes will not affect the level of benefits provided herein.

(NOTE: BENEFITS AS LISTED ABOVE ARE APPLICABLE TO FULL-TIME EMPLOYEES. PART-TIME EMPLOYEE BENEFITS MAY DIFFER.)

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PREAMBLE

THIS AGREEMENT made and entered into by and between PECO ENERGY COMPANY, hereinafter referred to as the "Company" and LOCAL UNION 614 of the INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS hereinafter referred to as the "Union",

WITNESSETH:

WHEREAS the Company is engaged in furnishing an essential public service which vitally affects the health, safety, comfort and general well being of a large number of the population, and

WHEREAS the very existence of the Company is conditioned and dependent upon the faithful carrying out of its obligations and responsibility in serving the public, and

WHEREAS this responsibility to the public is the mutual responsibility of both employees and the management of the Company and requires that any disputes arising between the employees and the management be adjusted and settled in an orderly manner without interruption of said service to the public, and

WHEREAS both parties hereto recognize this mutual responsibility of service to the public, and

WHEREAS both parties hereto desire to enter into an agreement eliminating any strikes, reasons for strikes, stoppage of work, or lockouts, during the term of said Agreement and during any period while negotiations are in progress between them for any change or renewal of said Agreement.

NOW, THEREFORE, for and in consideration of the premises and the mutual promises and agreements hereinafter contained, it is agreed that:

ARTICLE 1

REPRESENTATION AND RECOGNITION

1.1 Exclusive Bargaining Agent

The Union having been certified by the National Labor Relations board under Case 4-RC-20802 as the bargaining agent for the employees specified by the National Labor Relations Board in that certification is hereby recognized as the exclusive bargaining representative for said employees. For the purpose of this Agreement, the Company recognizes representatives of the International Brotherhood of Electrical Workers and the Union as representatives of the Union.

1.2 Job Classifications and Locations

Employees under this Agreement shall include individuals working in the job classifications and locations as agreed in NLRB Case 4-RC-20802.

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1.3 No Exclusive Right to Work

This recognition clause shall not be construed to mean that any Employee or classification of Employees has an exclusive right to any work within the bargaining unit. The Company may assign Employees to perform work within the bargaining unit that they are trained and/or qualified to perform as needed.

1.4 Reorganization and Changes to Technology or Classification

The Company reserves the right to i) establish new units, departments, divisions or subdivisions; ii) to determine the location, number and deletion of such units, departments, divisions or subdivisions; and iii) to change, add or eliminate job descriptions or transfer work from one job classification to another or from one department or operation to another. However, the Company will discuss with the appropriate Assistant Business Managers, at least sixty-(60) days prior to implementation, any planned reorganization or technological changes affecting employees in the bargaining unit, changes in or elimination of an existing job classification, or the establishment of a new classification. Should this discussion result in disagreement, the issue may be subject to the grievance procedure as provided in Article X. The filing of any grievance shall not delay the implementation of the planned change. Any final determination which affects wage rates shall be retroactive to the date of implementation.

1.5 Successorship

Subject to the Company obtaining all necessary approvals from any governmental authority or regulatory body, in the event of a sale or transfer of all or a material portion of the assets of the Company during the term of this Agreement to another entity that intends to use the assets to perform the type of work engaged in by the Company, the Company shall require, as a condition of the transaction, such purchaser or transferee to recognize the Union as the representative of the workforce covered by this Agreement and assume the obligations under this Agreement until the expiration of its term.

ARTICLE II

MANAGEMENT RIGHTS

- 2.1** Except to the extent expressly abridged by this Agreement, the Company reserves, retains and has the sole and exclusive right to manage the business and to take such measures as management may determine to be necessary for the orderly, efficient and profitable operation of the business and the direction of the working forces covered herein, including the right to hire, suspend, discharge for proper cause, determine the necessity to create a vacancy, fill a vacancy, promote, transfer, layoff, recall or demote any Employee; to establish, or continue rules, policies, practices and procedures for the operation of the business, upon need from time to time, to change or abolish such rules, policies, practices or procedures; to establish quality and performance standards and to judge and enforce them; to discontinue or modify any process or operation; to the extent allowed by law, to terminate, merge, sell or lease the business or any part thereof.

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2.2 Notification to Union

The Company will meet and discuss contemplated material changes in working conditions under Paragraph 2.1 with the Union before implementing such changes.

ARTICLE III

COMPANY-UNION RELATIONSHIP

3.1 Appointment and Authority of Stewards

The Union shall be allowed to appoint a reasonable number of stewards. These individuals shall attempt to adjust disputes or differences referred to them by any of the Employees they have been designated to represent and to participate in the processing of grievances as provided in this Agreement. The Union shall provide the names of such individuals, in writing, to the Company. Thereafter, the Company shall be within its right to rely on the voluntary actions and commitments of such individuals as agents of the Union.

3.2 Employee Steward's Use of Company Time

The Union or its agents will not solicit members, engage in organization work or any other Union activities during the working time (not including lunch or breaks) of Employees except for meetings scheduled during working periods at the request and convenience of the Company. When a steward's obligations under this Agreement can be reasonably performed only during working periods, a request for unpaid time off will be granted by management based on operating conditions at the time of the request. However, when a Weingarten investigatory interview is scheduled during working hours, a steward who is requested to attend will attend without loss of pay.

3.3 Union Visitation Rights

The parties agree that much of the everyday administration of this Agreement can be handled by Employee Union Representatives. The Company recognizes authorized representatives of the Union as the representatives of the Union, and upon advance notice and approval by the Company, the Union representatives shall have reasonable access to Company property in order to meet with the Employees concerning matters related to wages, hours, and terms and conditions of employment. A non-Employee Union representative will be required to obtain approval of the site Manager prior to gaining access to a Company facility. When a non-Employee Union representative is present on the property, he will not interfere with any Employees in a work status and may, at the Company's discretion, be escorted by a management representative.

3.4 Union Bulletin Boards

A reasonable number of Bulletin boards have been initially provided by the Company for the Union's sole use. Additional, and/or replacement Bulletin boards, may be provided by the Union to be affixed at convenient locations for the posting of notices pertaining to Union

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business. The Union will be responsible for the reasonable and proper use and upkeep of the bulletin boards. There shall be no other posting of any kind in any other locations at the Company.

3.5 Non-Discrimination

The Company and the Union agree that the operation or application of the provisions of this Agreement shall in no way serve to discriminate against any individual with respect to compensation, terms, and conditions of employment or otherwise affect his status as an employee because of such individual's race, color, creed, sex, age, handicap, national origin, or status as a disabled or Vietnam Era Veteran. Furthermore, there shall be no discrimination, interference, restraint, or coercion by the Company or any of its agents against any employee because of his membership in the Union or because of any lawful activities on behalf of the Union; and the Union, its members, and its agents, shall not unlawfully coerce employees into membership in the Union and shall not solicit membership in the Union while employees are working.

3.6 Union Membership

Employees working within classifications covered by this Agreement shall have the right to either become members of the Union or agency fee payers as they individually prefer.

Persons newly hired for jobs in the classifications covered by this Agreement shall be required to become members of the Union or agency fee payers after thirty-one (31) days of employment as a condition of employment.

In the event that an employee covered hereby fails to comply with the requirements of this section, the Company, within thirty (30) days after receipt of written notice from the Union requesting the same, shall discharge or transfer such employee to a classification outside of the bargaining unit.

3.7 Dues / Assessments / PECO Payroll Deduction

As a convenience to employees and the Union, the Company agrees to deduct usual and customary Union dues, assessments and voluntary Union Political Education Committee contributions from the pay of each present and new member who files with the Company an individual written request. A member desiring to discontinue his individual check-off may do so by notifying the Company and Union in writing. Collected dues and assessments shall be paid to the Financial Secretary of the Union.

3.8 Definitions

- A. Throughout this Agreement, masculine gender usage is also applicable to the feminine gender.
- B. Throughout this Agreement, any reference to "days" is intended to mean "calendar days" unless specifically stated otherwise.

ARTICLE IV

HOURS OF WORK AND OVERTIME

4.1 Work Week Defined

The payroll week shall begin at 12:01a.m. Monday and end at 12:00 Midnight of the following Sunday.

The regular workweek shall consist of seven consecutive days as operational considerations require. The basic workweek will normally consist of 40 hours and will include 2 regular days off, which may be consecutive or non-consecutive depending upon local practice and operational considerations.

4.2 Schedule and Assignment Changes

Nothing within this Agreement shall be interpreted so as to in any way impair the Company's right to schedule work weeks or shifts in any manner which the Company deems necessary and practical or to transfer Employees from one shift to another, from one department to another, or from one job to another. Additionally, nothing within this agreement precludes the Company from scheduling 8, 9, 10, or 12-hour shifts, for as long as the Company deems appropriate. However, for other than temporary schedule changes during emergency conditions, schedules involving other than eight (8) hour shifts will be established only after discussions between the Company and the Union.

4.3 Changes to the Work Week or Shift Assignments

- A. The workweek or shift assignment for any particular Employee or group of Employees within the Bargaining Unit may vary from that worked by other Employees.
- B. The Company may, from time to time, make such changes in the workweek or shift assignments, as it deems necessary.
- C. Changes in workweek or shift assignments, other than temporary, short-term changes, will be discussed with the Union.
- D. Change of Work Schedule for One (1) Day

When it is changed for only one day, all hours worked outside of the hours specified by the old schedule will be paid for at the applicable overtime rate for the day, and will be considered part of the basic workweek.

- E. Change of Work Schedule – More Than One (1) Day

If it is necessary to change an employee's work schedule for more than one (1) day, advance notice of forty-eight (48) hours is required. If advance notice of less than forty-eight (48) hours is given, all work outside the hours specified by the old schedule within the forty-eight (48) hour period will be considered out of schedule work, paid for at the

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applicable overtime rate for the day, and considered part of the employee's basic work week.

When an employee is returned to his original work schedule, no notice is required.

Changes made to an employee's work schedule for training purposes only do not require any notice period.

This policy does not apply to changes in shift schedules made at the request of the employee.

F. Cancelled Shift

If an employee is directed to report to work as part of their regular schedule, reports to work and is not assigned to work through no fault of their own, the employee will be paid a two (2) hour straight time allowance.

No allowance will be paid if the employee is notified not to report for work as scheduled. This statement also holds true when a reasonable attempt has been made by supervision to notify employees through normal contact information (e.g. home phone, pager, etc.).

G. Cancelled Overtime

If an employee is directed to report for work outside of their regular schedule and reports as directed, and is not assigned to work through no fault of their own, the employee will be paid a four (4) hour straight time allowance.

If the employee is notified that the overtime is being cancelled, a two (2) hour straight time allowance will be paid in the event that at least 24 hours notice is not provided. If the employee is notified 24 hours prior to the start of the overtime, no allowance will be paid.

These rules do not apply to planned overtime when cancellation is given within four (4) hours after the close of the preceding workday.

4.4 Rotating Shift Employees

A. Rotating Shifts

Employees may be assigned to work on a rotating shift basis to be established by the Company.

B. Workweek for Rotating Shift Employees

The workweek for rotating shift employees shall consist of seven consecutive days.

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C. Work Hours for Rotating Shift Employees

Rotating Shift employees will work shifts consisting of 8, 9, 10 or 12 consecutive hours, except for unpaid meal periods, as determined by management. The Company may provide on-duty meal periods at its discretion. All schedules shall be posted. Mutual shift swaps and / or trading may be allowed at no additional cost to the Company with Management's approval.

D. Work Day for Rotating Shift Employees

The workday for Rotating Shift employees shall consist of a twenty-four (24) hour period.

E. Part-Time Rotating Shift Employees

Part-time Rotating Shift employees are not subject to the provisions of 4.4 A or C above.

4.5 **Fixed Shift Employees.**

A. Schedules for Fixed Shift Employees

Fixed Shift employees will normally be scheduled to work five eight-hour days in a workweek pay period, though all employees are subject to shift work.

B. Workweek for Fixed Shift Employees

The workweek pay period for Fixed Shift employees shall consist of seven consecutive days.

C. Work Hours for Fixed Shift Employees

Fixed Shift employees will normally be scheduled to work eight and one-half (8.5) continuous hours of work including an unpaid meal period of one-half hour. All schedules shall be posted. Mutual shift swaps and / or trading may be allowed at no additional cost to the Company with Management's approval.

D. Work Day for Fixed Shift Employees

The workday for Fixed Shift employees shall consist of a twenty-four (24) hour period.

E. Part-Time Fixed Shift Employees

Part-time Fixed Shift employees are not subject to the provisions of 4.4 A or C above.

4.6 **Overtime**

For full-time employees, premium compensation will be paid for time worked in excess of the employee's regularly scheduled shift, including back shift premium where applicable.

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For part-time employees, premium compensation will be paid for time worked in excess of 40 hours per week (including other paid time off).

Pay for all hours worked on the first day of rest in the work week (XA day) will be at one-and-one-half times the base wage rate, including back shift premium, where applicable.

Pay for all hours worked on the second day of rest in the work week (XB day) will be double the base wage rate, including back shift premium, where applicable.

4.7 **Computation of Hours for Overtime**

Computation of overtime shall exclude any overtime work already paid at overtime rates.

4.8 **Mandatory Overtime**

While the company supports the use of voluntary overtime in accordance with Section 4.11, every Employee is required to work overtime when directed to do so by a supervisor unless he is excused from doing so by management.

4.9 **Authorized Overtime**

No overtime will be worked unless authorized by a supervisor or other management authority.

4.10 **Notice of Overtime**

The parties recognize that the nature of the business may require short notice overtime; the Company will make a reasonable effort to provide sufficient notice to Employees based on operating conditions and staffing requirements.

4.11 **Overtime Work Assignment**

The Company shall implement overtime allocation procedures after discussions with the Union so that as far as practicable, over the course of a year, overtime opportunities shall be distributed equitably among employees in each workgroup taking into account the qualifications required, the availability of employees and the legitimate business needs of the Company.

An employee scheduled to work overtime two (2) hours or less after completing his regularly scheduled work day shall be paid for this interval at the appropriate overtime rate and it shall be counted when totaling hours of work to qualify for the rest period provided under the provisions of Article IV, Section 4.12 and meal allowance under the provisions of Article VIII, Section 8.4.

In work groups where overtime opportunities are offered by moving sequentially down an overtime list, supervisors should make every effort to select the proper employee for overtime.

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4.12 Rest Period Pay

After sixteen (16) or more consecutive hours of work or after sixteen (16) or more hours of work within a 24-hour period preceding the start of a scheduled tour of duty, employees will be given a rest period of eight (8) hours before resuming regularly scheduled work. Employees will be paid for the hours of this rest periods that overlap scheduled working hours.

When conditions are such that an employee must report to work on a regular schedule before the expiration of the rest period of eight (8) hours, such rest period hours that remain will be paid for at the applicable overtime rate. This regulation does not apply when the sixteen hours of work required for rest period are accumulated by reason of traded workdays, change of schedule, or when hours normally granted for rest periods overlap the newly scheduled shift. Nor does this regulation apply to hours not worked for which a minimum pay bonus is allowed, such as call-out and prearranged overtime minimum guarantees.

If, as a result of a call-out, an employee is directed to report to work immediately during the 8 - hour period preceding their normally scheduled shift and are not entitled to the 8-hour rest period allowed when an employee works sixteen (16) or more hours of work within the 24-hour period preceding a scheduled tour of duty, the employee will be entitled to a paid rest period during the regularly scheduled shift equal to the time worked during the 8-hour period. This applies even though the employee did not work the day before the call-out.

When the call-out does not extend to the starting time for the regular shift, the rest period will be taken before resuming work on the regular shift. When the call-out extends to the starting time for the regular shift, an employee will continue working on the regular shift and the rest period will be taken during the last part of the regular shift. The supervisor may require the employee to remain on the job, but should attempt to provide relief in the case of fixed shift employees. In such cases, the rest period hours worked will be paid for at the applicable overtime rate.

4.13 Call Outs

Employees called out without previous notice for work at any time outside of their regular work schedule shall be paid a minimum of four (4) hours at the appropriate hourly base rate.

Employees are expected to report to work as quickly and safely as possible. If an employee is going to be delayed he is to notify the on call supervisor at the time of the call.

Call out is computed from the time an employee receives the call or when it is estimated, by management, that the employee would have left home in the case of a delayed call out. The call out period ends when the call out becomes continuous with his regular shift or when the work is completed and includes an estimated traveling time from the job back to the employee's home, as determined by management.

For call out overtime assignments that require a crew, call out time commences when the first employee of the crew is contacted.

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An employee called out to work two (2) hours or less after completing his regularly scheduled workday shall be paid for this interval at the appropriate overtime rate and it shall be counted when totaling hours of work to qualify for a rest period provided under the provision of 4.12 and meal allowance under the provisions of 8.4. An employee credited for this interval who receives subsequent call outs(s) within two (2) hours of completing each previous call out shall be paid for the subsequent intervals under the provisions.

4.14 Report Pay

Any employee instructed to report and reporting for work shall be guaranteed four (4) hours pay at the appropriate hourly base rate.

4.15 Funeral Time Off

The Company will grant regular Employees leave of up to three (3) calendar days between the death and the burial of an immediate family member. This leave will be paid to the extent that any of these days falls on a scheduled workday.

Immediate family is defined as spouse, domestic partner, child, stepchild, parent, stepparent, sibling, grandparent, grandchild, spouse's parents, spouse's siblings, or someone who depends entirely on the Employee for support.

The Company may allow employees to use available vacation time or floating holidays, or if both are exhausted, unpaid time off for additional time off beyond the time granted above or to attend a service for someone not in the employee's immediate family.

In the event that an employee is on scheduled vacation when a death occurs for which funeral leave is applicable, the provisions of this Section shall apply and the employee shall be permitted to reschedule vacation in accordance with the provisions of Section 7.1.

4.16 Jury Duty / Court Service

A Leave of Absence is granted for jury duty. Employees will receive pay based on a regular workday for this time. A similar absence is granted for an employee's subpoenaed testimony in court if called as a witness. Employees will receive pay based on a regular workday unless required to appear in court as a result of employment outside of the Company.

All compensation received for court services may be retained by employees.

A paid absence will not be granted if the employee is a plaintiff or a defendant in any case, unless he is a defendant within the scope of his Company employment. However, an unpaid leave for documented court service will be excused unless the nature and frequency of such absences and / or the employee's overall unsatisfactory attendance record warrant that it not be excused.

To be excused from work, with pay, for jury duty or court testimony, an employee must submit a summons or subpoena to his supervisor. The employee's time will be recorded under the

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Jury code for the absence. Such absences are in addition to other paid time off and will not be charged against an employee for purposes of imposing disciplinary action.

When excused by the court during working hours, an employee must contact his supervision and report for work, if requested.

Employees who would otherwise be working in the 4:00 p.m. to 8:00 a.m. period shall be considered as scheduled on the day shift on days required to report for jury or witness duty.

4.17 **Shift Differential**

Shift differential will be provided under the same terms and conditions as apply to non-represented employees.

4.18 **Sunday Premium**

Employees will be paid 1.25 times their base rate for Sunday work, including overtime, when it is part of their regularly scheduled workweek. When an employee receives a Sunday premium, the premium is included in the base on which overtime is applied.

4.19 **Travel Compensation**

Travel and per diem expenses will be provided under the same terms and conditions as apply to non-represented employees unless provided otherwise elsewhere in this Agreement.

4.20 **Flexible Work Assignments**

In order to provide for a flexible work force, Employees may be assigned by the Company to perform any work within the bargaining unit that they are capable and qualified to perform regardless of classification as long as the work may be safely and properly performed. After the effective date of this Agreement, employees who voluntarily accept training associated with non-bargaining unit work may be assigned to such work. As a result of an unusual emergency, employees who are capable may be assigned to perform non-bargaining unit work. Based upon need as determined by management, management personnel may perform any work covered by this agreement, so long as it does not result in the lay-off or reduction in base pay of any bargaining unit employee. Management personnel may continue to perform duties on overtime that overlap bargaining unit employees' work duties in accordance with each work group's currently prevailing practice.

ARTICLE V

SENIORITY, PROMOTIONS, TRANSFERS, LAYOFFS AND RE-EMPLOYMENT

5.1 Service: Probationary, Regular Full Time, Regular Part Time and Temporary Employees

A. Service

“Service” is defined as the period from the employee’s last hiring inclusive of approved leaves of absence and layoffs as provided herein.

B. Probationary Employee

New Employees shall be probationary for the first six (6) months of continuous employment. During this probationary period, such Employees may be terminated at the Company’s sole discretion, with or without cause. Such terminations shall not be subject to the grievance procedure under this Agreement

C. Regular Employee

A Regular Employee is defined as one who has completed a probationary period and is not subject to a time limitation in employment.

D. Temporary Employee

A temporary Employee is defined as one who is employed for a specific temporary employment period of six (6) months or less or longer than six (6) months if it is the duration of one defined project and is discussed with the Union. The Company shall not layoff and rehire such temporary employees in order to evade the provisions of this section. The Company retains the right to release from employment any temporary Employee regardless of his temporary hire date. A temporary Employee will be given one (1) week’s termination notice when possible. The use of temporary Employees shall not result in the layoff of probationary, part-time or regular Employees who ordinarily perform the work being performed by such temporary Employees.

Temporary employees will not be eligible for any excused paid time off, vacation days, sick days, floating holidays, or regular holidays and shall only be entitled to benefits as required by law.

The requirements of Article 3.6 and Article 3.7 shall apply to temporary Employees. Article 10 (Grievance Procedure) shall not apply to the discipline, termination or layoff of any temporary Employee.

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E. Part Time Employees

A part time employee is defined as one who is employed for part time work and who normally is scheduled for 32 or fewer hours in the workweek and/or eight (8) or fewer hours in a workday.

5.2 Identical Service Dates

Service of employees who have the same number of days of uninterrupted service shall be governed by the last four (4) digits of their Social Security numbers, with the employees with the lower numbers being listed as the more senior.

Section 5.2 will not apply to service dates established prior to the date of this initial bargaining agreement.

5.3 Seniority

Seniority is defined as the length of time an employee has as a journeyman in a trade, called "trade date". For those employees who do not utilize a "trade date" as their seniority, Company service will constitute their seniority.

5.4 Identical Seniority Dates

If two or more employees are promoted to the same job classification on the same date, their seniority order, as to each other, in their new job classification shall be governed by length of service.

5.5 Broken Service

Service of employees shall be broken for the following reasons:

- (1) Voluntary resignation.
- (2) Retirement.
- (3) Discharge for just cause.
- (4) Discharge during the probationary period.
- (5) Failure to return to work after a layoff within ten (10) workdays after being notified to do so by certified letter having been sent to the employee's last known address on the Company's personnel records. Nothing herein shall be construed to prevent the Company from using temporary help until the employee returns.
- (6) Under the provisions concerning leaves of absence.
- (7) Layoff after recall period as determined by this Article.

5.6 Return After Broken Service

Except as otherwise expressly provided in this Agreement, any opportunity to return to work after broken service shall be at the Company's sole discretion and the returning employee shall be hired as a new employee.

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5.7 Service and Seniority Roster

Upon ratification of this contract, a list shall be supplied to the Union containing service date, seniority date (where applicable) and mailing address of each member of the bargaining unit.

5.8 Objections to Roster

The Union will have ninety (90) days to examine and submit corrections to this initial list after which date the list will be considered to be correct. Revisions to this list shall be supplied to the Union semiannually, by certified mail, return receipt requested, no later than January 15th and July 15th. The Union will have sixty (60) days from the date of receipt to examine and submit corrections to these revisions after which they will be considered correct. Additionally, the Union shall be given notice of new employees hired into the bargaining unit or who leave the bargaining unit on a monthly basis.

5.9 Transfers and Promotions Within the Bargaining Unit

Transfers and promotions within the bargaining unit to positions not in a line of progression will be at the Company's discretion, but based solely on employee qualifications (including prior performance, relevant training / education, experience and assessments). However, successful completion of Company provided training will not be the deciding factor if the senior employee was available for such training, yet was not offered the training. Where the Company determines that two (2) or more Employees are substantially equally qualified, the position will be awarded to the Employee with the greatest service.

Promotions within a line of progression will be based upon seniority for all qualified employees.

If an employee is promoted or transferred under this section and within thirty (30) days it is either decided the employee is not competent to perform the work of the new job classification or the employee chooses to return to his former job, he should be reassigned without any loss of seniority to the classification and department from which he was promoted or transferred and shall immediately resume the wage rate he would have been entitled to if he had not left the classification.

If after thirty (30) days during the period of training and qualifying for the new job classification it is decided that the employee is not competent to perform the work of the new job classification, the employee will be allowed ninety (90) days to transfer to another job classification under Section 5.12, Filling Vacancies. Failure to fill an available vacancy will subject the employee to layoff, notwithstanding the provisions of Sections 5.16 or 5.17. Future recall will be in accordance with Section 5.17.

Absent management approval, an employee will not be allowed to fill a new job more than once every two (2) rolling years.

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5.10 Notice to Employee

In the case of promotion or transfer within the bargaining unit, if the employee with the highest service / seniority is not selected, the Company will notify that employee of the reason(s) he was not selected.

5.11 Promotions Outside the Bargaining Unit

The Company at its sole discretion reserves the right to fill positions outside the bargaining unit, including supervisory or other managerial positions.

Employees who fill a permanent vacancy in a non-bargaining unit job shall be allowed to return to the bargaining unit within ninety-(90) calendar days without their seniority being affected. No employee who fills a non-bargaining unit job shall be allowed to return to the bargaining unit after ninety-(90) calendar days unless agreed to by the Union and the Company. In the event the Union and Company agree to the return, the employee shall lose all seniority, but service shall be unbroken.

5.12 Filling Vacancies

A. When filling a vacancy in an existing or newly created job classification within the bargaining unit, the Company will post a notice for a period of ten (10) calendar days announcing the open position. The Company will provide information on accessing its electronic posting system. An employee without any access to a computer may ask his supervisor for information on job postings. Employees desiring to be considered must make written application setting forth their qualifications. Where employees' qualifications (including prior performance, relevant training / education, experience and assessments) are substantially equal, seniority / service will govern. However, successful completion of Company provided training will not be the deciding factor if the senior employee was unavailable for such training yet was not offered the training. Employees who have accepted and completed training for a position shall be deemed to have bid for any openings in that position. Nothing in this section shall prevent the Company from hiring qualified employees from outside the Company as it deems necessary so long as existing employees who wish to be considered are also considered.

B. The Company will notify the Union within ten (10) workdays of filling a posted bargaining unit job.

If the employee with the highest service / seniority was not selected, the Company will notify that employee of the reason(s) he was not selected.

C. Where applicable, the Company will continue to fill vacancies within a job classification through lateral transfers by the process currently in effect (for example, Pick-A-Thon).

D. If an employee is promoted or transferred under this section and within thirty (30) days it is either decided the employee is not competent to perform the work of the new job classification or the employee chooses to return to his former job he should be reassigned without any loss of seniority to the classification and department from which he was

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promoted or transferred and shall immediately resume the wage rate he would have been entitled to if he had not left the classification.

If after thirty (30) days during the period of training and qualifying for the new job classification it is decided that the employee is not competent to perform the work of the new job classification, the employee will be allowed ninety (90) days to transfer to another job classification under Section 5.12, Filling Vacancies. Failure to fill an available vacancy will subject the employee to layoff, notwithstanding the provisions of Section 5.16 or 5.17. Future recall will be in accordance with Section 5.17.

Absent management approval, an employee will not be allowed to fill a new job more than once every two (2) rolling years.

- E. An employee, who bids on and accepts a bargaining unit position, shall be transferred no later than three (3) months, after he has been notified of his acceptance. When the transfer must be delayed longer than three (3) months, for compelling business reasons, the employee will be compensated for any loss of wages due to the delay in excess of three (3) months. Also, the employee's seniority will start to accrue at the actual date of transfer or three (3) months from the date of acceptance of job offer, whichever is earlier, in the case of a delay in excess of three (3) months.

5.13 **Demotions**

Requests for demotions within the bargaining unit shall be granted at the Company's sole discretion and only in unusual circumstances.

5.14 **Temporary Transfers**

When an employee is temporarily transferred to other work, the employee's seniority will continue to accrue in his regular job classification. Seniority will continue to be considered when making temporary transfers. When temporarily transferred to a higher paid position the employee will be paid at the higher rate for the full day after four (4) hours worked in the higher paid position. If temporarily transferred to a lower paid position, the employee will continue at his normal job rate.

Prevailing pay practices for upgrades to non-bargaining unit positions will be continued for the term of the Agreement.

5.15 **Layoffs and Other Curtailments of Employment**

The Company has the right to determine the number and types of employees required and to lay off employees for lack of work or other legitimate reasons; to determine the facts of lack of work, and exclusively make the decision as to its existence.

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5.16 Order of Layoffs and Recalls

A. Employees will be laid off within a classification in the following order:

- 1st Temporary Employees
- 2nd Part-Time Probationary Employees
- 3rd Full-Time Probationary Employees
- 4th Regular Part-Time Employees (hired on or after January 1, 2007)
- 5th Regular Full-Time Employees (and regular part-time employees hired before January 1, 2007)

B. Recalls shall be in reverse order of layoffs except that probationary and temporary employees will not have recall rights.

5.17 Layoffs and Recalls

Layoffs and recall from layoffs shall be by classification from among qualified employees based on service. The Company's need to retain employee(s) with specialized skills, such as certified welding, may change the order of layoff and/or recall of an employee unless the employee who is to be laid off or not recalled, out of order, was available for Company provided specialized skills training yet was not offered the training.

5.18 Work Sharing in Lieu of Layoff

Whenever, because of the workload, the Company determines a layoff is necessary, the Company will first meet and confer with the Union to attempt to formulate a program for spreading the work, moving employees from one group or department to another or other appropriate action. Nothing in this paragraph shall restrict or interfere with necessary layoffs, following such a meeting.

5.19 Layoff Defined

A layoff is a termination of active employment with the right of recall under this Article, should, in the Company's sole judgment conditions warrant.

5.20 Recall of Employees

Based on service, employees shall have the following periods during which they are eligible for recall from layoff:

1. less than six (6) months – no eligibility
2. six (6) months to one (1) year –six (6) months
3. greater than one (1) year to five (5) years – one (1) year
4. greater than five (5) years – two (2) years

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5.21 Failure to Accept Return from Layoff

If, for any reason, an employee fails to report within ten (10) workdays following a notice of recall under these provisions, he shall be terminated effective on the date of the notice of recall.

ARTICLE VI

HOLIDAYS

6.1 Holidays Celebrated

For pay purposes, regular, full time Employees will observe the following holidays on the actual dates upon which they occur. Non-shift regular, full time Employees will observe these holidays on the dates on which they are observed by the Company, the schedule of which will be posted by the Company on or about January 1 of each year:

New Years Day *
Martin Luther King's Birthday
Memorial Day *
Independence Day *
Labor Day *
Thanksgiving Day *
The Friday immediately after Thanksgiving Day
Christmas Eve
Christmas Day *

* See "Part-Time Employees" section below.

Holidays falling on Sunday are observed on the following Monday, and holidays falling on Saturday are observed on the preceding Friday. Back to back holidays falling on Friday and Saturday will be observed on the preceding Thursday and Friday. Back to back holidays falling on Sunday and Monday will be observed on the following Monday and Tuesday.

Floating Holidays

In addition to the above holidays, regular, full-time employees shall receive four (4) Floating Holidays on January 1 each calendar year. Such Floating Holidays must be scheduled at least five (5) calendar days in advance, subject to Company approval based upon operational considerations. Employees who have thirty (30) or more years of service, who were previously granted five (5) floating holidays, shall be "grandfathered" and shall continue to be entitled to five (5) Floating Holidays.

In consideration of operational requirements, and with prior Management approval, floating holidays may be used in half-day increments.

Floating Holidays cannot be banked or carried over into the following year.

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Newly hired full-time employees earn Floating Holidays based on the following schedule:

| <u>Date of Employment</u> | <u>Floating Holidays</u> |
|-------------------------------------|--------------------------|
| Hired January 1 through March 31 | 4 |
| Hired April 1 through June 30 | 3 |
| Hired July 1 through September 30 | 2 |
| Hired October 1 through December 31 | 1 |

Part-Time Employees

Part-time employees hired before September 20, 2004 continue to be compensated for all Company holidays outlined in the above chart and continue to be allotted floating holidays on a prorated basis.

Part-time employees hired on or after September 20, 2004 will be paid for the six recognized Company holidays marked with an asterisk in the above chart, only when the part-time employee is normally scheduled to work that day of the week. These employees are not eligible for the floating holiday allotment.

Effective September 20, 2004, non-exempt employees who change from full-time to part-time status will be eligible only for the remaining Company observed holidays that are marked with an asterisk in the above chart for the remainder of the year. These employees will be eligible for the remainder of their floating holiday allotment for that calendar year. The calendar year following the status change the employee will receive no floating holidays.

Employees, who change from part-time to full-time status, will receive the floating holiday allotment on a prorated basis. The appropriate allotment will follow the same schedule as outlined for "new hires" in the table above. The calendar year following the status change the employee will receive four floating holidays. The employee will then receive all Company observed holidays.

6.2 Holiday Pay

All regular full-time Employees shall receive eight hours of straight time pay for a holiday, regardless of whether they are assigned or required to work. However, holiday pay will not be paid if an employee fails to work as scheduled on the holiday.

Upgrade work performed on a holiday is paid at the appropriate upgrade rate. Any applicable holiday allowance is paid at the upgrade rate.

6.3 Shift Employees

In addition to their eight-hours Holiday Pay, shift Employees will receive one and a half times their straight time rate for all hours worked.

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Shift employees who work on the actual holiday when it falls on a Saturday or Sunday but who do not work the respective Friday or Monday observed by the Company, are paid time and one-half for all hours worked on the actual holiday. This pay practice applies only to the January 1, July 4, December 24 and December 25 holidays.

6.4 Non-Shift Employees

Non-shift Employees, when required to work on a holiday, will receive one and a half times their straight time rate for all hours worked on the holiday, in addition to their eight hours Holiday Pay.

6.5 Mandatory Attendance

Unless excused by management, or by law, all Employees scheduled to work on a holiday must work all scheduled hours on the holiday.

6.6 Holiday Overtime

Work on holidays shall be at the rate of one and a half times the Employee's hourly base rate of pay in addition to the holiday pay to which the Employee is entitled.

Pay for all hours worked by an employee, outside his regular work schedule on a day observed by the Company as a holiday will be at double the base rate. All hours worked by an employee on a holiday which is observed on an employee's day of rest will be paid at double-time, in addition to a holiday allowance, when applicable.

ARTICLE VII

VACATION AND LEAVES OF ABSENCE

7.1 Vacation Accumulation

A. On each January 1, or upon return to active employment if inactive on January 1, the Company will grant to regular, employees vacation with pay calculated at forty (40) hours per week at the straight time rate of his regular classification in accordance with the following.

| Calendar Year in Which an Employee Completes the Following Years of Service | Days of Vacation Allowed |
|---|--------------------------|
| 1 to 4 inclusive | 15 |
| 5 to 9 inclusive | 17 |
| 10 to 14 inclusive | 20 |
| 15 to 19 inclusive | 22 |
| 20 to 24 inclusive | 25 |
| 25 and over | 30 |

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- B. Newly hired employees will be granted pro-rated vacation days on their 91st day of employment based upon his start date in accordance with this table:

New Hire Vacation Pro-Ration Schedule

| Month of Hire | Vacation Days in Calendar Year of Hire (Granted on the 91 st calendar day of service) |
|---------------|---|
| January | 12 |
| February | 11 |
| March | 10 |
| April | 9 |
| May | 8 |
| June | 7 |
| July | 6 |
| August | 5 |
| September | 4 |
| October | 0 |
| November | 0 |
| December | 0 |

On each January 1 thereafter (or the 91st day of employment, if later), or upon return to active service if inactive, the employee will be granted the employee's full allotment of vacation days for the following year.

- C. If an employee is discharged, laid off, retires, resigns with at least two (2) weeks notice or dies, vacation time due shall be paid.

Rehired Employees

Rehired employees will be granted vacation days based on the "New Hire Vacation Pro-Ration Schedule" chart above. Upon having served one (1) year from the date of their rehire, their previous service will count toward their total years of service, and they will be granted vacation days in accordance with the Exelon vacation schedule, Table 1.

Part-Time Employees Hired After January 1, 2005

Part-time employees hired before July of any calendar year will be granted five (5) vacation days on their 91st day of service. They will receive five (5) vacation days in each succeeding year.

Part-time employees hired in July or after will be granted on January 1 (or on the 91st day after their start date, whichever is later) five (5) vacation days for the following year; they too, will receive five (5) vacation days in each succeeding year.

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Full-Time / Part-Time Status Changes

If an employee moves from full-time to part-time, the employee's allotment for the remainder of the year will be reduced on a pro-rated basis based on the number of hours scheduled, rounded to the nearest whole hour. In the following calendar year they will receive five (5) vacation days.

If an employee goes from part-time to full-time, the allotment goes up on a prorated basis. The following calendar year they will receive a full-time allotment.

Part-Time Carryover

Part-time employees hired after January 1, 2005 are not eligible to carryover unused vacation.

7.2 Vacation Scheduling

- A. Because of operational considerations, a reasonable but limited number of employees in each classification will be allowed off on vacation at a given time. Vacation scheduling shall be arranged by the Company after consulting with the employee as to his preferences. The number of employees who will be permitted to take vacations simultaneously will be determined by the Company and is subject to change to meet operating conditions and work requirements.
- B. Vacation selection will normally be completed in December of the preceding year, posted no later than March 1 and will be granted according to service and preference. All employees in a job classification work group will select their vacation dates in weekly increments, where possible, according to service. Vacation requests submitted after the established deadline will be assigned on a first come, first served basis with management approval.
- C. A single day of vacation, if available, may be requested at any time prior to the start of an employee's shift. The granting of such a request is solely at the Company's discretion.
- D. A Company holiday that falls during an employee's vacation shall not be counted as a vacation day.
- E. An employee can carry over no more than ten (10) unused vacation days into the following year unless scheduled vacation was cancelled by the Company and no time to reschedule remained before the end of the year.
- F. Absent unusual emergency conditions an employee will not be required to work overtime during vacation time.
- G. Vacations may be scheduled as week(s), single days or hours with Management approval after considering operating conditions. In addition, vacation may be used, with Management approval, after considering operating conditions, as sick or funeral leave days after all sick or funeral leave allowance is exhausted.

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- H. When scheduling vacations, full weeks (including weeks that include a holiday), will take priority over days regardless of service.
- I. Once an employee has had his vacation approved, it will not be changed by Management unless an emergency condition exists within the PECO system. Once an employee has started his vacation it shall not be cancelled. Vacations may be scheduled throughout the year but must be completed by December 31, unless carried over.
- J. Vacation shall commence at the conclusion of the employee's last regularly scheduled tour of duty just prior to the vacation period, and will extend to the commencement of their first regularly scheduled tour of duty following the conclusion of their approved vacation period.
- K. In areas where the prevailing practice currently exists, vacations while scheduled on backshift will not be permitted.

7.3 Personal Leave of Absence

- A. In circumstances where other policies are not applicable or where such leave has been exhausted, employees may be granted, at the company's sole discretion, an unpaid leave of absence for personal reasons. No personal leave shall be granted unless the employee makes the request in writing at least two (2) weeks before the date of the beginning of the requested leave (except in situations impossible of prediction), and such request is approved in writing by the Company.
- B. Employees taking personal leaves shall continue to accrue seniority. Employees who accept other employment while on a personal leave or who fail to return at the end of such leave will be deemed to have resigned and their employment shall be deemed to have terminated on the date active employment ceased.

7.4 Unpaid Leaves of Absence for Union Representatives

An employee who is selected to serve as full-time representative of the Local union shall, after reasonable notice to the Company, be granted a leave of absence without pay during the time of office, and shall continue to accumulate seniority and service during the leave of absence. The Union may appoint no more than three (3) employees to full time positions to represent Company employees and each shall be granted an unpaid leave of absence and continue to accrue service and seniority for the term of his absence. Upon termination of such position, the employee shall be reinstated to his former job, as long as he is able, after any necessary refamiliarization, retraining or requalification, to perform the job, including all service and seniority rights, at the then prevailing rate of pay and benefits for such position, or if it has been eliminated to a position as nearly comparable as possible.

Upon reasonable notice by the Union to the Company, an employee shall be released from his Company duties without pay, subject to operational needs, for sufficient time to attend Union business. The employee must still notify his supervisor of his impending absence. Unless

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requested otherwise by the employee, employees released for Union business will not be asked or charged for overtime or callouts.

Shift employees on the Union Negotiating Committee will be assigned as non-shift employees during negotiations so long as the Company does not incur shift change premium for a Union Negotiating Committee member as a result of such assignment.

7.5 Medical Leave for an Employee or Family Member

Medical leave required for an employee or for the care of a family member shall be governed by the Federal Family and Medical Leave Act. Administration of such leave in any manner consistent with that Act shall be irrefutably deemed to conform with this Agreement.

7.6 Military Leaves

A regular employee who volunteers for, is drafted or called into the military service of the United States shall fall under the provisions of the Exelon Military Leave of Absence Policy (HR-AC-23 Revision-0, Dated April 1, 2004).

ARTICLE VIII

WORKING CONDITIONS

8.1 Safety Rules

The Company will continue its present policy of cooperating with its employees so as to insure that reasonable rules and provisions are made for the safety and health of employees during the hours of their employment, and changes will be discussed with representatives of the Union prior to being put into effect. Employees will comply with established safety and health rules and provisions. Such rules and provisions shall apply uniformly to all employees affected.

In the interest of safety, at the request of the Employee involved, an Employee may be accompanied by a Union Representative when the Employee is called before a formal committee making an investigation of an accident. This shall not apply to informal investigations of an accident.

8.2 Safety Committees

The Company and Union will cooperate in the establishment of joint safety committees on a local basis. These committees will consist of an equal number of management appointed members and Union appointed members who will meet jointly at regularly scheduled intervals at mutually agreeable times. At the Union's request, the Company will meet periodically at mutually agreeable times with the Union's Safety Committee.

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8.3 Inclement Weather

In times of inclement weather the parties agree that decisions regarding outside work should take into consideration the interests of employee safety, health, productivity and quality of work. Whenever Employees are assigned outside work during inclement weather conditions, the Company will make reasonable provisions for the health and safety of those Employees. After discussion between the Employee and the Supervisor, the Supervisor shall make the decision as to what work will be performed, consistent with the above. In addition, the parties will form a joint Labor / Management Committee to meet and discuss inclement weather response, consistent with the above provisions and any associated problems. The Committee will have two (2) Union and two (2) Management members, who will meet on a quarterly basis.

8.4 Overtime Meal Allowance

Employees qualify to receive a meal allowance of \$9.00 if, at the direction of management, they work two (2) consecutive hours in addition to their scheduled shift. The regularly scheduled shift must be at least eight (8) hours for this policy to apply. Employees qualify to receive an additional meal allowance after each additional five (5) consecutive hours of work. Time taken from work for a meal will not be considered as time worked except in emergency conditions.

When a call-out occurs, the employee qualifies for a meal allowance at the end of each five (5) consecutive hours worked. In lieu of a meal allowance the Company may elect to provide a meal.

8.5 Progress Reports

Employees will receive a progress report at least every six (6) months from management. The progress report form will be discussed by the Company and Union. The progress report will be shown and reviewed with the employee concerned and signed by employee when detrimental. Signing by an employee does not constitute agreement with the performance appraisal. Employees shall be afforded an opportunity to add additional comments and shall receive a copy of the progress report.

8.6 Work Clothes And Equipment

The Company shall furnish raincoats, boots, hats, tools, gloves, safety devices and other equipment the Company considers necessary for work performance.

8.7 Return to Work After an Illness or an Injury

A. Non-Work Related Injuries or Illness, Less Than Fifteen (15) Years of Service

If due to an off the job illness or injury, permanent or long-term work restrictions are imposed that prevent a regular employee from performing the essential functions of his position as determined by the Company, the employee will no longer have job protection in or reinstatement rights to his current position. The employee will be allowed the

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opportunity to bid on open and available vacant positions for which he is qualified, under the provisions of Article V, Sections 5.9 and 5.12, and for which he is able to perform the essential functions. During this bidding period, the employee will be placed off work and may receive disability benefits, if eligible, unless the employee's department has modified work available for the employee to perform on a temporary basis, which is not to exceed six months unless medical documentation satisfactory to OHS demonstrates that the employee is likely to be able to return without restrictions within a reasonable additional period as determined by the Company. When the employee is no longer eligible for disability benefits or upon the end of the temporary modified work period, which ever is longer, if the employee has not found an alternative position, the employee will be terminated. If the employee is a successful bidder for another position, then upon his transfer to the other position, he will assume the rate of pay for the position upon which he successfully bid.

B. Non-Work Related Injuries or Illness, Fifteen (15) or More Years of Service

In the case of a regular employee who has fifteen (15) or more years of service at the time permanent or long-term work restrictions are imposed and who is unable to perform the essential functions of his position as determined by the Company, the employee will no longer have job protection in or reinstatement rights to his current position. The Company will attempt to transfer him to an open and available vacant position (at a lateral or lower level to the position the employee holds) the essential duties of which he is qualified and able to perform with his restrictions. If two or more employees are subject to transfer under the provisions of this section during the same period, length of service with the Company will control. Transfers under this subsection will be made notwithstanding any provisions of Article V, Sections 5.9 and 5.12 to the contrary.

During the period the Company searches for open and available vacant positions, the employee will be placed off work and may receive disability benefits, if eligible, unless the employee's department has modified work available for the employee to perform on a temporary basis, which is not to exceed six months unless medical documentation satisfactory to OHS demonstrates that the employee is likely to be able to return without restrictions within a reasonable additional period as determined by the Company. When the employee is no longer eligible for disability benefits or upon the end of the temporary modified work period, which ever is longer, if the employee has not been transferred to another position, the employee will be terminated.

If the employee is transferred to another position, the employee will be paid the rate of either his former position at the time he left the position or the position to which he is transferred, whichever is higher, for a period of two (2) years. At the expiration of this two-year period, the employee will be paid the rate of the position to which he transferred. During this two year grace period, the employee may continue to bid on open and available positions for higher rated positions under the provisions of Article V, Sections 5.9 and 5.12, and will not be subject to the two (2) year bidding restriction there under.

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C. Work Related Injuries or Illnesses

If a regular employee is injured in the course of employment with the Company and is unable to return to full duty to the job in which he was injured, he will be treated in accordance with the provisions of Section B, above.

8.8 The Union reserves the right to grieve any level of discipline administered.

ARTICLE IX

SUBCONTRACTING

9.1 The Company has the sole and exclusive right to manage the business in the most effective and profitable way, and to determine when contractors will be utilized for any duration to achieve this objective. The work, as determined by the Company, may be work ordinarily and customarily performed by regular employees. Utilization of contractors will be without penalty to the Company. However, the Company agrees that it will not contract any work which is ordinarily and customarily done by its employees if, as a result thereof, it would become necessary to lay off or reduce the rate of pay of any such employee.

The Company and Union shall meet annually to review and discuss the Company's contracting plans for the upcoming year and the appropriateness of allocating additional work to bargaining unit employees in lieu of contractors.

ARTICLE X

GRIEVANCE PROCEDURE

Section 1. Purpose. The purpose of this Article is (a) to provide opportunity for discussion of any complaint and (b) to establish procedures for the processing and settlement of complaints or grievances as defined in Section 2 of this Article.

Section 2. Definition of Grievance. A Grievance is hereby defined as a dispute between the Company and the Union or its members as to the interpretation, application of or compliance with the provisions of this Agreement. Both parties shall endeavor to settle same in the simplest and most direct manner.

Section 3. Notification to Union. Management shall not negotiate grievance settlements directly with members of the Union without affording a Union Representative an opportunity to be present.

Section 4. Grievance Procedure. The procedure shall be as follows unless any step except the Fourth Step is waived or combined by mutual consent:

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Step 1

Notice to Immediate Supervisor

Within thirty (30) calendar days after the event giving rise to the grievance or after the affected Employee or Union Steward should have know of the event, the affected Employee and/or steward must discuss the grievance with the Employee's immediate supervisor. Additionally, the Employee or steward must submit to the supervisor the proper documentation on the approved form stating the issues of the complaint. If after the discussion the affected Employee or Union Steward still believes there has been a violation, the Employee or steward shall fill out and sign the Step 1 grievance form. The steward will have ten (10) calendar days from the date of the discussion to fill out and sign the Step 1 grievance form, and submit it to the Employee's immediate supervisor with a copy to the local Human Resources Representative.

The supervisor will have ten (10) calendar days from the receipt of the Step 1 grievance form to respond with an answer to the grievance in writing. The response will be forwarded to the steward by the supervisor.

Step 2

Grievance to Labor Relations Representative

If the grievance is not settled in the first step, the Employee's steward must fill out and sign the Step 2 grievance form. The steward must present the grievance form to the Company's designated Labor Relations / Human Resources Representative within fifteen (15) calendar days of the steward receiving a denial in Step 1.

A meeting will be held within ten (10) calendar days of receiving written notification of First Step appeal between the Grievance Committee of the Local Union not to exceed three (3) members including the Business Manager or his Designee and the Department Manager and Labor Relations / Human Resources Representative to discuss the grievance. The Labor Relations / Human Resources Representative, will have ten (10) calendar days to respond with an answer in writing. The response will be forwarded to the steward by the Labor Relations / Human Resources Representative.

If the Union is dissatisfied with that decision, the matter may be referred to the next step within fifteen (15) calendar days following the Company's decision.

Step 3

Written Appeal to Department Manager

If the grievance is not settled under Step 2, the grievance must be submitted in writing, within fifteen (15) calendar days of a denial in Step 2, to the respective Vice President. A meeting will be held within thirty-(30) calendar days of receiving written notification of Second Step appeal between the Grievance Committee of the Local Union not to exceed three (3) members including the Business Manager or his Designee, and a Vice President of the Company, or his Designee, and Labor Relations Representative to discuss the grievance. An International Representative of the I.B.E.W. may also be

2007 Tentative Agreement with IBEW Local 614

present. The response will be forwarded to the Business Manager, or his designee by the Labor Relations Representative within ten (10) calendar days.

Step 4

Arbitration

If the grievance is not satisfactorily settled at the 3rd Step, it may be referred at the request of either party to Arbitration within 45 calendar days of the receipt of the third step answer. The appointment of an impartial Arbitrator shall be made from a list furnished to the parties under the procedure and rules of the American Arbitration Association (AAA).

Except for grievances involving discharge or as otherwise agreed, grievances must be scheduled and heard in arbitration in the order of appeal to arbitration.

The arbitration hearing shall be held as promptly as possible and the arbitration award shall be final and binding upon all parties, provided it does not exceed the authority of the Arbitrator. The Arbitrator's authority shall be limited to the application of this Agreement, and the Arbitrator shall have no authority to render an award that amends, alters, or modifies any provision of this Agreement.

In an arbitration relating to the discharge or suspension of an Employee, should the Arbitrator determine that the discharge or suspension was not for just cause, the Arbitrator may order reinstatement of the Employee with or without back pay for time lost. No more than one grievance may be submitted to or heard by any one Arbitrator at one time without agreement between the Company and Union.

No new issues may be raised in the arbitration step, which were not previously raised in the first three steps of the procedure, except issues involving timeliness or arbitral jurisdiction.

The written award of the Arbitrator shall be final and binding on the aggrieved employee(s), the Union and the Company.

The costs of the Arbitrator and hearing room shall be shared equally by the parties. All other costs shall be paid by the party who incurs them.

Section 5. Only one (1) matter shall be covered on one (1) grievance form. Written grievances shall contain a clear and concise statement of the alleged grievance, the issue involved and relief sought, and shall in each instance state the specific section or sections of the Agreement of which a violation is claimed. A grievance which does not satisfy these requirements shall be returned to the employee or steward who shall be entitled to refile the grievance within seven (7) days from the date the grievance is returned, upon bringing it into conformity with this Section.

At all steps in the grievance procedure, the grievant and the Union representative should materially expedite the solution to the grievance by disclosing to the Company representatives a full and detailed statement of the facts relied upon. In the same manner, Company representatives should disclose all the pertinent facts relied upon by the Company. The parties may agree to return a grievance to a prior step of the grievance procedure, which shall then be processed within the time limits as provided in such step.

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Complaints or grievances, which are not filed initially in the proper step of the grievance procedure, shall be referred to the proper step for discussion and answer by the Company and the Union representatives designated to handle grievances in such step.

Each of the above steps of the grievance procedure shall be followed in the order given. If, at any time during the processing of a grievance, it appears that the requirements of Step 1 of the grievance procedure for a full discussion of the complaint between the supervisor and the employee and Union representative were not met, the complaint or grievance shall be returned without further answer for compliance with such Step 1 procedure and shall thereafter be processed as provided in the respective steps of the grievance procedure.

Section 6. In order to avoid the necessity of filing numerous grievances on the same subject or event or concerning the same alleged contract violation occurring on different occasions, a single complaint or grievance may be processed and the facts of alleged additional violations (including the dates thereof) may be presented in the appropriate step and recorded on a separate form for each such claim. Such additional claims shall be filed promptly and within the time limits applicable to the filing of grievances and shall be signed by each additional grievant. When the original grievance is resolved in the grievance or arbitration procedure, the parties resolving such grievance (the Step 3 Representatives if resolved by arbitration) shall review such pending claims in the light of the decision in an effort to dispose of them. If any such claim is not settled, it shall be considered as a grievance and processed in accordance with the procedure and the applicable time limitations.

Section 7. Neither party shall file frivolous grievances over settled matters.

Section 8. Separate grievances may not be joined in one arbitration proceeding except by mutual agreement of the parties in writing. No discharge grievance may be processed by or on behalf of a probationary employee.

Section 9. In the event an employee is awarded back pay as a result of an arbitrator's ruling, deducted from the award will be any amounts received by the employee for unemployment compensation and interim earnings. In no event may the arbitrator enter a monetary award for any item other than lost wages and out-of-pocket benefits expenses incurred by the employee. The Arbitrator shall not have the power to award punitive or exemplary damages, attorneys' fees, or any other form of damages other than wages and out-of-pocket benefits expenses incurred by the employee.

Section 10. In the event the parties settle any grievance prior to Step Three (3), such settlements shall be on a non-precedent setting basis unless the parties affirmatively state otherwise in a writing signed by both parties. Evidence of any such non precedent setting settlements shall not be admissible in any proceedings under this Article, including but not limited to, arbitration hearings.

Section 11. Time limits for processing grievances can only be extended by mutual agreement of the Company and Union.

Section 12. Should an employee be discharged, he shall be entitled to a hearing, starting with the Second Step above and the case shall be disposed of promptly.

2007 Tentative Agreement with IBEW Local 614

ARTICLE XI

NO STRIKES, NO LOCKOUTS

11.1 No Strike / No Lockout

Under no circumstances shall there be any strike, stoppage, cessation of work, sympathy strike, slow down, picketing, concerted refusal to work overtime, concerted mass sickness, continuous Union meetings, labor holidays or other interference with or interruption of the Company's business during the term of this Agreement. Under no circumstances shall there be any lockout during the term of this Agreement.

11.2 Discipline

Any Employee who engages in any activity prohibited by this Article, shall be subject to discipline up to and including discharge.

11.3 Notification

Notwithstanding the termination of this Agreement, and until such time as a replacement Agreement is agreed to and implemented, the Union agrees to provide the Company with no more than fifteen (15) days nor less than seven (7) days advance written notice of any actual strike or walkout, such notice to be delivered by the Local Business Manager or his designated representative, to the Company's Vice President of Operations. Similarly, before unilaterally implementing any final offer or portion thereof, the Company's Vice President of Operations or his designated representative will provide no less than seven (7) days advance written notice to the Local Business Manager.

This proposal is subject to modification, addition, alteration or withdrawal until a Final Agreement is reached on all terms.

ARTICLE XII

TERM OF AGREEMENT

12.1 Amendments

This Agreement shall be subject to amendment at any time by mutual consent of the Parties. Any such amendment shall be reduced to writing, signed by the Parties hereto and, thereafter, shall be treated as part of the express terms of the contract.

12.2 Term

The terms and duration of this Agreement shall be effective as of the ratification of this Agreement, and shall continue, thereafter, until midnight, March 31, 2010, and shall be renewed from year to year thereafter until either Party serves on the other Party written notice, which is received sixty calendar days before any annual expiration, that termination of this Agreement is desired. Such notice shall be sent by certified mail, return receipt requested.

This Agreement is subject to the approval of the International President of the Brotherhood.

2007 Tentative Agreement with IBEW Local 614

ARTICLE XIII

COMPLETE AGREEMENT

It is the intent and purpose of the parties that this Agreement between the Company and the Union supersedes all previous practices, oral or written, between the parties; constitutes the entire Agreement between the parties; and shall not be changed, added to or amended during the life of the Agreement except by mutual consent in writing by both parties. Any binding past practice between the parties, in order to be recognized as such, must be in writing and signed by both parties.

As noted in Article II, Section 2.2, the Company will meet and discuss with the Union contemplated material changes in working conditions before implementing such changes.

2007 Tentative Agreement with IBEW Local 614

EXHIBIT A

Memorandum of Understanding

Memorandum of Understanding concerning the transition from an annual individual merit based wage increase process to an annual general wage increase process with uniform, market based job classification and job progression wage rates for designated I.B.E.W. represented job classifications at PECO Energy Delivery and the PECO Call Center.

During the negotiations over initial Collective Bargaining Agreements (CBA's) between PECO and I.B.E.W. Local 614 for represented employees at PECO Energy Delivery and the PECO Call Center, the parties discussed the development of a transition plan which would move certain job classifications from the current annual, individual merit based wage increase process to an annual general wage increase process with uniform, market based job classification and job progression wage rates. The elements of the transition plan development process are set forth below.

1. The jobs to be affected by the transition plan are the current "3.1" jobs as listed in Attachment A (PECO Energy Deliver) and Attachment B. (PECO Call Center).
2. Employees incumbent to jobs listed in Attachments A and B, the merit pool groups, will continue to receive merit increases under the current process as set forth in Attachment C for each year of the Collective Bargaining Agreement.
3. The increases for the PECO Energy Delivery merit pool group will mirror the General Wage Increases (GWO's) for the PECO Energy Delivery employees who are not part of the merit pool group. However, these increases may include lump sums as appropriate under the merit increase process in Attachment C.
4. The PECO Call Center represented employees, all of whom make up the merit pool set forth in Attachment B, will receive the following merit pool increases as a whole, including lump sums as appropriate, under the merit increase process in Attachment C.

Year 1 – 3.5%; Year 2 – 3.5%; Year 3 – 3.5%

5. Merit pool group salary bands for the jobs listed in Attachments A and B will be updated in accordance with compensation practices as in the past. This updating will be conducted in 2007 to govern the 2008 merit pool salary bands, in 2008 to govern the 2009 merit pool salary bands and again in 2009 to govern the 2010 merit pool salary bands. The results of the updating will be reviewed and discussed with the Union before being finalized.

2007 Tentative Agreement with IBEW Local 614

EXHIBIT A

Memorandum of Understanding

6. Transition Plan Process:

- A. A Joint Wage Compensation Committee (The Committee) comprised of four (4) Union representatives and four (4) Company representatives shall be formed within 60 days of the ratification. The Union representatives shall include two (2) PECO Call Center representatives and two (2) PECO Energy Delivery representatives all of whom are appointed by the Union Business Manager. The Company representatives shall include two (2) designated PECO Call Center representatives and two (2) PECO Energy Delivery representatives. One (1) PECO Energy Delivery and one (1) PECO Call Center Union representative will suffer no loss of regular base wages due to Committee duties.
- B. The Committee shall:
1. Meet at least monthly or more often at times and locations as mutually agreed;
 2. Gather and exchange information about appropriate market rates for the jobs set forth in Attachments A and B.;
 3. Exchange ideas and proposals concerning a market based progression schedule and a top of progression wage rate for each of the jobs listed in Attachments A and B; and
 4. Exchange ideas and proposals concerning the movement of wage rates to market rates for incumbents of the jobs listed in Attachments A and B that are above or below market rates.
- C. If, by June 1, 2008, after good faith discussions, the Committee is able to agree upon a market based progression schedule and a top of progression wage rate for all the jobs listed in Attachments A and B, as well as a proposal addressing the movement of existing wage rates to market rates for incumbents of the jobs listed in Attachments A and B, then that Agreement will constitute the agreed to Transition Plan. The agreed to Transition Plan will become part of the 2010 tentative Collective Bargaining Agreement (CBA) and take effect with the ratification of the 2010 CBA.
- D. If the Committee is unable to reach an agreed to Transition Plan by June 1, 2008, then the Union members of the Committee and Company members of the Committee will, respectively, submit the Union Transition Plan Final Offer and the Company Transition Plan Final Offer to an impartial Arbitrator no later than June 30, 2008. The appointment of the impartial Arbitrator shall be made from a list furnished to the parties under the procedure and rules of the American Arbitration Association (AAA) and shall include only members of the National Academy of Arbitrators.

2007 Tentative Agreement with IBEW Local 614

EXHIBIT A

Memorandum of Understanding

- E. The arbitration shall be conducted as a Final Offer, interest based arbitration (so called baseball style arbitration) in which the Arbitrator must select either the Union transition Plan of the Company Transition Plan as a whole. The cost for any arbitration shall be shared equally by the Union and Company. The Arbitrator's decision will be final and binding upon both parties and must be rendered by September 1, 2008. The plan selected by the Arbitrator will become part of the 2010 tentative CBA's and take effect with the ratified 2010 CBA's.
- F. In rendering a decision, the Arbitrator shall consider the history of merit increase adjustments, appropriate market rates for the jobs in question and any other relevant information necessary to arrive at a fair compensation Transition Plan.

Neither side will place in evidence before the Arbitrator any information or position which it has not previously disclosed to the other side during the negotiations period leading up to the Final Offers submitted to the Arbitrator. The Arbitrator has no authority to consider or rule upon any job not listed in Attachments A or B or any proposal other than the Final Offers submitted by each side to the Arbitrator.

2007 Tentative Agreement with IBEW Local 614

EXHIBIT A

Memorandum of Understanding

Attachment A (PED)

| Job Code | Job Title |
|----------|---|
| | |
| 183600 | Billing Consultant |
| 518800 | Contractor Liaison |
| 518700 | Design & Construction Consultant |
| 784300 | Designer |
| 272800 | Engineering Assistant |
| 100600 | Equipment Update Clerk |
| 864000 | Facilities Drafter |
| 874000 | Gas Design Technician |
| 254200 | High Bill Consultant |
| | Laboratory Technician |
| 272900 | Maintenance Assistant |
| 100800 | Mapping Records Clerk |
| 102500 | Materials Process Clerk |
| 102700 | Meter Process Clerk |
| 518900 | Metering Design & Construction Consultant |
| 785400 | Senior Designer |
| 861400 | Senior Facilities Drafter |
| 893000 | Senior Laboratory Technician |
| 100700 | Work Process Clerk |

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EXHIBIT A

Memorandum of Understanding

Attachment B (Call Center)

| Job Code | Job Title |
|----------|---------------------------------|
| | |
| 183300 | Customer Consultant |
| 183900 | Customer Consultant – Part-Time |
| 183800 | Customer Consultant II |
| 184400 | Customer Service Center Clerk |
| 253100 | Small Business Consultant |

2007 Tentative Agreement with IBEW Local 614

EXHIBIT A

Memorandum of Understanding

Attachment C

Annual Salary Increase Considerations

Base salary increases are designed to maintain the competitiveness of compensation levels as they relate to Exelon's pay-for-performance philosophy, the external market, and internal equity. Managers ensure pay-for-performance and internal equity by awarding greater salary increases to high performers and lesser or no increases to lower performers.

The pay decision must also factor in internal pay compared to the external market. When market data is available, market reference / salary range information is communicated to salary planners and must be considered in conjunction with relative performance, capabilities, budgetary considerations and other factors managers consider in making individual salary determinations.

- When available, consider the market reference / salary range as the target salary range for a position.
- Those new to their role may be at the lower end of the range.
- Typically, solid performers at full-competency should be near the middle of the range.
- In recognition that top performers bring greater value to the Company and the additional contribution should be awarded, those who receive the top rating over time should be paid higher in the market reference / salary range.

Salary Increase Guidelines

The pay decision of each individual will be in line with Exelon's Salary Increase Guidelines shown on the following chart and will be in the form of a:

- Base salary increase
- Lump sum payment
- Combination (base salary increase and lump sum payment)
- No increase (zero percent)

2007 Tentative Agreement with IBEW Local 614

EXHIBIT A

Memorandum of Understanding

Attachment C

Salary Increase Guidelines

Salary increase guidelines are as follows:

| 2007 Salary Increase Guidelines | | |
|---|------------------------------|---|
| Performance Category | Salary Increase Range | Base Pay Compared to Market Reference / Salary Range |
| A / 3 Exceptional Performer | 0% - 7% | High in MRR – Combination or Lump Sum Medium in MRR – Combination or Base Salary Increase Low in MRR – Base Salary Increase |
| B / 2 Significant / Solid Contributor | 0% - 5% | High in MRR – Combination, Lump Sum, or no increase Medium in MRR – Combination or Base Salary Increase Low in MRR – Base Salary Increase |
| C / 1 Does Not Meet Expectations / Marginal / Lower Performer | 0% | 0% |

- Consider a lump sum award as an alternative or in addition to a base salary increase when an employee is:
 - Over or near the high end of the market reference / salary range.
 - High in the salary grade as compared to peers (when market data is not available).

- Consider no increase (zero percent) or a lump sum award when:
 - A base salary increase would place the employee over the high end of the market reference range or, when market data is not available, too high in the salary range as compared to peers.
 - An employee is near the salary grade maximum.
 - Until MRR's are implemented, the salary grade maximum represents the absolute maximum pay for a position within the salary grade. Therefore, a base salary increase that would place the employee over the salary grade maximum is not permitted.
 - No salary increase (base pay or lump sum) is allowed for "C / 1" performers.
 - In the case of an employee transfer during the salary planning period, the previous manager and new manager should confer on the salary increase decision, if applicable.
 - Salary adjustments will be effective March 1.

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EXHIBIT A

Memorandum of Understanding

Attachment C

Eligibility for Salary Increase

The classifications of employees listed below are NOT eligible for a salary increase (base lump nor lump sum award):

- Received a Year-End Performance Rating of “C / 1” for the preceding year.
- Hired after December 1 of the preceding year.
- Notified of severance-related termination, with a separation date after December 31 of the preceding year.
- Received a salary adjustment after December 1 of the preceding year. Factor the merit consideration into the salary increase.

2007 Tentative Agreement with IBEW Local 614

EXHIBIT B

PECO Storm Response Work Opportunities

It is recognized by both the Company and Union that from time-to-time, due to extreme weather or other emergencies, large-scale damage to the PECO electric or gas delivery system may occur causing outages to our customers. These outages may be so extensive that Company personnel are insufficient to restore service to our customers in a timely fashion. In such cases the Company has in the past, and will continue in the future, to bring in crews from other utilities as well as contractors to assist in the system restoration efforts.

The Company recognizes the advantages our employees have over crews from other utilities and contractors due to their training, experience and familiarity with the Company's system. In addition, the Company agrees that while there have been and will be legitimate exceptions, (for example, wrap-up work) generally where contractors and crews from other utilities are working overtime on storm restoration efforts our employees in the same area and trade should be offered equivalent overtime opportunities as well in order to take full advantage of their expertise and experience.

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EXHIBIT C

Mutual Aid Agreement

1. The following guidelines address issues associated with the terms and conditions that will apply in those instances where PECO Employees volunteer to work outside the PECO service territory as part of any mutual aid agreement.
2. The Company shall notify the Union President or his designated representative when it has been decided to solicit for off-system duty. The Company shall inform the Union representative of the number of volunteers to be solicited and of the approximate duration of the stay if such is known. The opportunity to work the off-system restoration effort will be offered by the Company on a strictly volunteer basis to available and qualified employees as determined by the Company. Any classification being offered an off-system opportunity for the first time shall use either seniority or service as the basis of such offers. Should an employee be inappropriately bypassed during the canvass process, the Company will review any issues raised by the Union following the conclusion of the restoration effort and will reconcile any errors by placing that employee at the top of the opportunity list.
3. Assignment. The initial assignment will normally be up to two (2) weeks depending on the Company assessment of the situation. If a longer work period off-system is identified by the Company, employees working the assignment may be replaced following discussions between the Company and the Union.
4. There will be no intermingling of a PECO crew to include personnel from other utilities or contractors, except where the assignment involves bird-dogging.
5. Lodging of employees will be at a suitable hotel as identified by the Company, if reasonably available. It is understood that other accommodations (e.g. gymnasiums, dormitories, or military style tents) may be necessary due to conditions beyond the Company's control and reflective of the situation associated with the work assignment.
6. Work Hours. Work hours typically will be 0700 to 2300, however the Company may amend the specific times as needed to accommodate the host utility. The daily rest period will be for a minimum of eight (8) hours from the time employees are released to their overnight accommodation (door-to-door). This rest period will not include any time spent obtaining / finishing meals. All employees will be paid for a minimum of sixteen (16) hours per day, and will have eight (8) unpaid hours off except on the day they arrive back home. The last day of the assignment when traveling home, employees will be paid until they arrive back to their homes or should reasonably have arrived at their homes upon being released from off-system duty. This will be done regardless of work assigned for the day. Employees working the assignment will be placed on the same shift at the point the crews leave the service territory. Employees will transition onto and off of a scheduled shift schedule on the first / last day of the off-system assignment. This schedule change will not entitle the employee to a change of shift premium payment.

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EXHIBIT C

Mutual Aid Agreement

Changes to work schedules for those employees not traveling out of town and which are necessary to accommodate those employees leaving for the off-system assignment will be covered by the applicable notice provisions of the labor agreement. The Company will provide as much advance notice to such employees as practical.

7. Employees working the assignment will be compensated at one and one-half times their basic hourly rate for all hours worked during the assignment except as provided otherwise by the labor agreement where double time may be applicable.
8. All meals will be provided by the Company and will be eaten on Company time. Breakfast and dinner will be eaten in a restaurant if reasonably available. Box lunches are acceptable if properly maintained for all health related concerns.
9. Miscellaneous.
 - a. Fees. A Company representative will pay the actual costs of any fuel, tolls, and / or lodging expenses.
 - b. Flame Retardant Clothing. Employees will be required to supply a maximum of a 3-day supply of appropriate flame retardant clothing. The Company will supply laundry services, if such services are available, after the 3rd day.
 - c. The Company will attempt to establish, if reasonably available, a means for employees to communicate with their families during the assignment.
 - d. Any issue not specifically addressed by this understanding will be controlled by the applicable provisions of the labor agreement as appropriate.
 - e. Nothing in this Agreement diminishes the rights enjoyed by the Company or the Union under the Collective Bargaining Agreement.

2007 Tentative Agreement with IBEW Local 614

EXHIBIT D

Settlement Agreement (from 8.6)

This Settlement Agreement and Release (“Agreement”) is by and between INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL NO. 614, ALF-CIO-CLC (“Union”) and PECO Energy Company (“PECO” or “Employer”).

WHEREAS, the Union has filed a charge, Case No. 4-CA-34775, with the National Labor Relations Board (“NLRB”) alleging that PECO engaged in unfair labor practices under the National Labor Relations Act;

WHEREAS, the NLRB issued a Complaint and Notice of Hearing in the aforementioned cases;

WHEREAS, the parties have negotiated in good faith;

WHEREAS, both parties desire to fully resolve the claims made in the above-referenced charge and complaint at Case Nos. 4-CA-34775, and all other matters concerning employee attire;

NOW, THEREFORE, each party intending to be legally bound and in consideration of the mutual promises contained herein, it is hereby agreed as follows:

1. The Union hereby expressly agrees to withdraw with prejudice NLRB Case Nos. 4-CA-34775 and any other charges that may have been filed. This settlement agreement is dependent on the NLRB’s approval of the withdrawal. Further, the Union agrees that it will not on its own behalf or on behalf of its members file a lawsuit or any further charges with the NLRB over PECO’s Organizational Clothing Allowance policy, the administration of said policy, or the negotiation or implementation of this Agreement.
2. The Company shall designate from time-to-time those bargaining-unit job classifications in which employees are required to wear Company-approved clothing. The Company shall provide each employee in these designated job classifications with an initial clothing and shoe allowance of \$1,000 and an annual clothing and shoe allowance each year thereafter of \$400. In addition, other classifications designated by the Company that only periodically perform outside storm duty roles will receive an initial clothing and shoe allowance of \$200 and an annual clothing and shoe allowance each year thereafter of \$200. Employees will be allowed to carry over any unused allowance into the following year with a maximum allowance amount in any year equal to two (2) year’s allowance.

2007 Tentative Agreement with IBEW Local 614

EXHIBIT D

Settlement Agreement (from 8.6)

3. Each employee in a designated job classification shall be required to wear clothing that has been approved by the Company at all times when the employee is at work. An employee in a designated job classification shall not wear clothing, accessories or insignia that have not been approved by the Company, unless the employee's manager authorizes such an exception in writing. The Company shall select an approved vendor or vendors, and employees are responsible for obtaining their required work clothing through the approved vendor(s). Employees shall maintain a professional appearance at all times while at work. Employees are responsible for maintaining their seasonal clothing and ensuring their professional appearance. Employees shall keep their work clothes as clean and neat as possible, recognizing the nature of the work being performed. Employees shall wear approved clothing that complies with all applicable safety rules.
4. Current employees employed as of the date of this Agreement, in classifications that are subject to the foregoing paragraphs and who receive the full \$400 annual allotment, will receive a one-time allotment of 12 PECO-approved PECO t-shirts inclusive of any t-shirts already received in 2006.
5. Employees may request that a PECO-approved I.B.E.W. Local 614 log be placed on the left sleeve of t-shirts, sweatshirts, long-sleeve shirts, jackets, and other Company-provided outer garments with sleeves, provided the request is received prior to said clothing being ordered. The cost of the logo and its placement on said clothing will be borne solely by the individual employee and must be paid prior to ordering the clothing modifications. This is the only non-PECO / Exelon logo, insignia or accessory permitted to be worn by employees while on work time or in work areas.
6. Employees failing to wear PECO-approved appropriate work attire or failing to maintain a professional appearance, as outlined in this Agreement, will be subject to discipline, up to and including termination.
7. This Agreement will be incorporated in any future Collective Bargaining Agreement between the parties absent the express written consent of both parties to change, modify or eliminate all or part of this Agreement.
8. This Agreement expressly extinguishes all oral agreements, understandings or past practices, including but not limited to area-, service center- or Company-wide practices, regarding the wearing of clothing accessories or insignia during all working time. All such practices, side agreements or understandings must be in writing and signed by the parties to be enforceable.
9. Any dispute arising out of, or otherwise relating to, any provision of this Agreement is subject to the parties' interim grievance procedure culminating in final and binding arbitration.
10. It is expressly understood that this settlement is made in compromise of disputed claims to avoid the expenses and inconvenience of litigation. By making this Agreement, PECO does not directly or indirectly or by implication admit any violation of any law, statute, regulation, ordinance or contract.

2007 Tentative Agreement with IBEW Local 614

EXHIBIT D

Settlement Agreement (from 8.6)

- 11. This document shall not be construed against its drafters and no modifications to this Agreement shall be construed as reflecting the drafter's intent.
- 12. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Any photocopy of the executed original(s) of this Agreement, or any counterpart, shall be deemed to be an original for any and all purposes.

PECO ENERGY COMPANY

INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS LOCAL
UNION NO. 614, AFL-CIO

By: _____

By: _____

Dated: _____

Dated: _____

2007 Tentative Agreement with IBEW Local 614

EXHIBIT E

Guidelines For Reducing Staffing For Holidays (From 6.3)

The Company, at its discretion, may choose to offer reduced staffing to shift personnel on certain holidays where deemed appropriate. Should the Company decide to take such a step, the opportunity for a paid holiday shall be offered to those employees on each affected shift, by seniority. Swapping shifts, by mutual agreement of the affected personnel, will only be allowed to the extent that no additional expense or reduction in staffing is incurred by the Company. It is further recognized that not all shifts on a given holiday might be eligible for reduced staffing depending on system conditions, expected weather, or initial staffing figures.

2007 Tentative Agreement with IBEW Local 614

EXHIBIT F

Gas Distribution and Corrosion Mechanics

“New Entrants” into Gas Distribution and Corrosion Mechanics positions after the effective date of this Agreement will be paid the new rates set forth below subject to General Wage Rate increases as set forth in the Agreement

New Entrants Hourly Rates for 2007

| | |
|-------------|---|
| Entry Level | 14.00 (Dist. Mechanic “B” (P2B)) |
| | 15.15 |
| | 16.35 |
| | 17.50 |
| | 18.60 (Dist. Mechanic “A” (P4F)) |
| | 19.60 |
| | 20.63 |
| | 21.55 |
| | 22.50 (Sr. Distribution Mechanic – Progression (P6F)) |
| | 24.00 |
| | 25.52 |
| | 27.04 |
| | 28.49 |
| | 30.03 |
| | 31.50 (Journey Level) |

Existing Gas Distribution and Corrosion Mechanics hired before the effective date of this Agreement will be grandfathered and will continue to receive their current hourly rates and progression step increases as well as the General Wage Rate increases as set forth in the Agreement.