

AGREEMENT

between

VIRGINIA NATURAL GAS, INC.

and

Local Union 50

of the

INTERNATIONAL BROTHERHOOD

of

ELECTRICAL WORKERS

Effective

May 16, 2006

AGREEMENT

between

VIRGINIA NATURAL GAS

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

This Agreement, ratified on June 29, 2006 by and between Virginia Natural Gas, a corporation organized and doing business under the laws of the Commonwealth of Virginia, its successors and assigns, hereinafter called "Company," and the Virginia Natural Gas employees of Local Union 50 of the International Brotherhood of Electrical Workers, hereinafter called "Brotherhood."

WITNESSETH:

It is the purpose of the parties hereto that, through the provisions and procedures provided by this Agreement, there be promoted and preserved a just and amicable relationship between the Company and the Brotherhood to the end that there be no voluntary cessation of work or preventable interruption or diminution of service, and that the public, the Company and the employees shall be guarded against unnecessary loss, inconvenience or hazard.

We agree on the creation of an Article XXII that will house any mid-term letters of agreement (LOA). During the next contract negotiations, these LOA will be incorporated into the contract.

If any dispute arises during the term of this contract, and a past letter of agreement is brought forward by either party to settle such dispute, and is not in conflict with the current bargaining agreement, such letter(s) shall become part of article XXII. All LOA in Article XXII will be included in the body of the contract during the next negotiation period.

Now, therefore, the parties hereto contract and agree as follows:

TABLE OF CONTENTS

Article	Title	Page No.
I	Recognition and Representation	1
II	Union Security	2
III	Bulletin Board	3
IV	Leaves of Absence for Brotherhood Business	4
V	Strikes and Lockouts	5
VI	Grievances and Arbitration	6
VII	Management	9
VIII	Contracting Work	10
IX	Medical Examination	11
X	War Emergency	12
XI	Seniority	13
XII	Court Attendance	22
XIII	Expenses	23
XIV	Sick Leave	24
XV	Vacations	25
XVI	Holidays	28
XVII	Wages	29
XVIII	Hours of Work and Overtime	31
XIX	Safety	35
XX	Benefits	36
XXI	Term of Agreement	37
XXII	Letters of Agreement	38
	Appendix A to Article XX	41
	Schedule "A" Wage Rates	42

ARTICLE I

RECOGNITION AND REPRESENTATION

Section 1. The Company hereby recognizes the Brotherhood as the exclusive representative for the purposes of collective bargaining in respect to rates of pay, wages, hours of employment and other conditions of employment of employees in the following Bargaining Unit: all employees of the Company in the Distribution, Maintenance, Operation, Production, and Transmission Departments, all storeroom laborers, storekeepers, and truck drivers in the General Departments, building maintenance employees who service buildings primarily set aside for use of Bargaining Unit employees in the Distribution, Maintenance, Operations, Production, and Transmission Departments, including meter readers and/or collectors, meter servicers, and temporary meter readers and/or collectors, meter servicers, and temporary employees who have been employees who have been employed six (6) months or more but excluding all other employees in the General Departments, all pensioned workers, pensioners, deputized guards, draftsmen and their assistants, professional, consulting, distribution, estimating, and sales engineers, scientific and technical employees, chemists, confidential secretaries, confidential clerks, all office and clerical employees, janitors and maids in general offices, part-time employees, temporary employees who have been employed for less than six (6) months, working foremen and all supervisory employees with authority to hire, promote, discharge, discipline, or otherwise effect changes in the status of employees, or effectively recommend such action

If in any proceeding before the National Labor Relations Board the Brotherhood alleges that any employees excluded from the above unit as supervisory employees are not supervisory employees under the applicable law and should be included in the above unit, this Agreement shall not bar or prejudice such contention.

Section 2. The Brotherhood has designated, and the Company recognizes, the Business Manager of Local Union 50 of the International Brotherhood of Electrical Workers as the negotiating agent for this agreement.

Section 3. The term "employee" or "employees" as hereinafter used in this Agreement shall refer to an employee or employees of Virginia Natural Gas in the Bargaining Unit as in Section 1 of this Article 1 defined. This Agreement covers employees in the following classifications: all employees of the Company in the Distribution, Maintenance, Operation, Production, and Transmission Departments, all storeroom laborers, storekeepers, and truck drivers and building maintenance employees who service buildings primarily set aside for the use of Bargaining Unit employees in the Distribution, Maintenance, Operation, Production, and Transmission Departments, including meter readers and/or collectors, and meter servicers, and temporary employees who have been employed six (6) months or more.

Section 4. When an applicant is hired to fill a regular assignment with the Company, he shall be placed on probation for six (6) months and during the said six (6) months period the terms of this Agreement, except as to hours of labor and rates of pay, shall not apply to him.

Section 5. It is the continuing policy of the Company and the Union that all provisions of this Agreement shall be applied to all employees without regard to sex, race, color, religious creed or national origin.

The use of the male gender in this Agreement is understood to include and apply equally to the female gender.

ARTICLE II

UNION SECURITY

Section 1. The parties hereto agree that employees shall have the right to join in, or refuse to join in, Union activity, without interference or intimidation on the part of the Company, or coercion or intimidation on the part of the Brotherhood.

Section 2. The Company agrees to accept a written order, in form acceptable to the Company, signed by any employee who is a member of the Brotherhood, authorizing the Company to deduct from his wages each month, the amount of his monthly dues for membership in the Brotherhood, as specified in such order and to pay such amount over to Local Union 50. Each such authorization may be revoked by such employee during the period May 1st through May 31st and provided further that deduction cards signed before the effective date of this Agreement shall be deemed modified to provide revocation during the May 1st through May 31st period each contract year.

Section 3. If any persons in classifications excluded from the Bargaining Unit as supervisory classifications under the provisions of Article I are or become members of the Brotherhood, the Company will not discriminate against such persons merely because of such membership or because of Union activities prior to the date of this Agreement or because of Union activities while members of the Bargaining Unit, however, preference or discipline in employment of supervisory employees because of any future Union activity or Union obligations inconsistent in the Company's opinion with supervisory obligations or functions are not limited hereby. No action of the Company shall be made subject to grievance procedure or litigation under this Section and its judgment as to appointment, employment, and discipline of supervisory personnel excluded from the Bargaining Unit shall be conclusive.

ARTICLE III

BULLETIN BOARD

The Company agrees to permit the Brotherhood to place in each reporting room or other suitable location a bulletin board for the exclusive use by the Brotherhood in connection with the posting of appropriate notices concerning Brotherhood business.

ARTICLE IV

LEAVES OF ABSENCE FOR BROTHERHOOD BUSINESS

Section 1. Any employee who is or may be appointed or elected to an office in Local Union 50 or the International Brotherhood of Electrical Workers requiring his absence from duty with the Company, shall for the period for which elected or appointed continue to accumulate seniority with the Company throughout such term of office and shall upon termination of his duties, within the above period, be reinstated to his former position including all his seniority rights provided that his qualifications are at least equal to those previously required. It is understood that when such an employee returns to work, the regular rules of seniority will prevail for those employees below him on the seniority list.

Section 2. Such employee while on leave of absence from duty with the Company may continue to carry the amount of group life insurance, group hospitalization insurance and group dental plan coverage, for which he is covered at the time his leave of absence begins. He may also continue his participation in the Retirement Plan contract. Participation in the above group coverage and Retirement Plan is subject to the payment monthly in advance to Virginia Natural Gas by such employee of the full cost of such coverage.

ARTICLE V

STRIKES AND LOCKOUTS

Section 1. The Brotherhood and its members individually and collectively agree that they will not call, encourage, or engage in any strike, slowdown or other interruption of work during the period of this Agreement or any extension or renewal hereof. The Company on its part agrees that there shall be no lockout during the period of this Agreement or any extension or renewal hereof, it being the desire of both parties hereto to provide an uninterrupted and continuous service to the public.

Section 2. The Brotherhood's International organization will not be liable in damages for a strike or any violation of Section 1 if it does not authorize, encourage, or aid the same and uses all reasonable means within its power to prevent and end it.

Section 3. Each employee agrees that he will not engage in a strike slowdown or other interruption of work during the period of this Agreement or any renewal hereof and any violation of this Section will be ground for discipline or discharge and such discipline or discharge will not be reviewable under the grievance procedure except on the question whether such violation occurred.

ARTICLE VI

GRIEVANCES AND ARBITRATION

Section 1. Grievances:

Should any dispute or difference arise between the Company and the Brotherhood or any employee or employees as to the interpretation or application or violation of any of the express provisions of this Agreement, or as to any alleged unjust supervisory conduct which causes an employee to be disciplined or lose his job, such grievance shall be handled in accordance with the grievance and arbitration procedures, provided that no grievance by an employee or employees will be considered which is more than twenty (20) days old. In an instance when the employee and the Local Union can show that they had no knowledge of the violation, the Brotherhood may bring such grievance within twenty (20) days of the date the Local Union first learned of the violation provided no grievance will be considered which is more than thirty (30) days old.

By Employee, Employees or the Brotherhood:

Step A. All grievances shall be presented orally or in writing to the immediate supervisor concerned, whereupon if no satisfactory adjustment be made within five (5) days of such presentation, the dispute or difference may, within the next ten (10) days, be referred, in writing to;

Step B. The authorized representative or representatives of the Brotherhood and the Manager, or his authorized representatives, within five (5) days thereafter these parties shall meet for the purpose of adjusting the grievance and within five (5) days after such meeting the Manager or his authorized representative will give to the Brotherhood his decision, in writing, and, if not settled, then within fourteen (14) days thereafter the matter may be referred, in writing to

Step C. The authorized representative or representatives of the Brotherhood and the President of the Company, or his authorized representative; within ten (10) days thereafter these parties shall meet for the purpose of adjusting the grievance. The President of the Company, or his authorized representative or representatives shall, within fifteen (15) days of said meeting mail to the Brotherhood a written decision of the grievance. Any of the periods within which any of the acts required in this Article VI are to be performed may be extended by written mutual consent of the parties. Written presentation of grievances and decisions as herein provided for shall set forth, on forms provided, the following:

- (a) The Brotherhood's or the Company's position with respect to said grievance.
- (b) A statement of the reasons and facts in support of its position.
- (c) The Section or Sections of this Agreement, relied upon in reaching such position.

In computing the time within which the acts herein are required to be performed, Saturdays, Sundays and Holidays shall be excluded.

If any of the time periods within which a meeting or answer is required to be held or given are not complied with and no extension of such time period has been agreed to, then the grievance may within five (5) days after the expiration of the time set for holding such meeting or giving such answer be referred to the next step in the grievance procedure.

Section 2. Arbitration:

If a mutually satisfactory settlement of any such grievance is not otherwise reached through the above procedure, the same may be referred to arbitration within thirty (30) days of receipt of the decision of the President of the Company, or his authorized representative or representatives. The arbitrators appointed, as hereinafter provided, shall have no power to add to or take from or modify the express terms of the Agreement. Should the time limits of fourteen (14) days in Section 1, Step "B" and/or thirty (30) days herein not be complied with, the time, in excess of fourteen (14) days, and/or thirty (30) days, as the case may be, shall be subtracted in computing any monetary awards hereunder.

In the event a grievance is referred to arbitration, one of the two following procedures shall be observed, either Traditional Arbitration or Expedited Arbitration. Expedited Arbitration shall be available only by mutual agreement of the Company and the Union.

Traditional Arbitration. The procedure for Traditional Arbitration shall be as follows:

First. Such grievance shall be submitted by or on behalf of the aggrieved for determination by a board of arbitration composed of five persons - two to be chosen by the Company and two to be chosen by the Brotherhood and a fifth disinterested arbitrator to be selected as hereinafter provided.

Second. The four arbitrators already chosen shall select a fifth disinterested arbitrator or, if necessary, such fifth arbitrator shall be selected as hereinafter provided. The findings of the majority of said board of arbitration shall be final and binding on the Company, the Brotherhood and the aggrieved employee or employees. In case the four arbitrators first chosen shall fail to select a fifth arbitrator, as above provided, then

Third. Either party may request the Federal Mediation and Conciliation Service to submit to the four member board a list of nine arbitrators approved by that agency. The Company members and the Union members shall each have the right to strike four names from such list. The parties shall, within fifteen (15) days from the receipt of the list of nine arbitrators, meet for the purpose of striking names. The parties shall alternate in the striking of names, the Union members exercising the first strike. The person whose name remains on the list shall be designated as the fifth member of the arbitration board.

Fourth. Each of the parties shall bear the expense of providing its own arbitrators and the parties hereto shall jointly bear the expense of providing the fifth arbitrator.

Fifth. In grievances submitted to arbitration involving the discharge of an employee, the party requesting the list of arbitrators shall do so within ten (10) days of the date the grievance is referred to arbitration; the parties shall select an arbitrator within fifteen (15) days after receipt of the list from the Federal Mediation and Conciliation Service and shall schedule the arbitration hearing for a date within forty (40) days after the arbitrator is selected.

Sixth. Upon receipt of a draft award from the fifth disinterested arbitrator, if either the Company arbitrators or the Brotherhood arbitrators wish to convene an Executive Session of the board of arbitration to discuss the draft award, they must do so within ten (10) days of receipt of the draft award. The board members requesting such an Executive Session, however, must be available to attend the Executive Session on the first date offered by the fifth arbitrator at the location of the hearing. Failure to request an Executive Session within ten (10) days of receipt of the draft award or failure to be available on the first date offered for the Executive Session shall cause the draft award to become final and binding upon execution by a majority of the board of arbitration.

Expedited Arbitration. The procedure for Expedited Arbitration shall be as follows:

First. On or before September 1, 2002, the Company and the Union will mutually agree to a panel of five arbitrators, each of whom must be a member of the American Academy of Arbitrators. This panel shall be in

place for a twelve-month period beginning October 1, 2002. If the Company and the Union cannot reach agreement on the members of the panel prior to September 1, the parties will request that FMCS supply a list of fifteen arbitrators, from which the parties will strike a panel of five arbitrators, with the Union making the first strike. Either the Company or the Union may give notice to the other by August 1, 2003, and each August 1 thereafter, of that party's desire to select a new panel of arbitrators for the following twelve-month period beginning October 1. If either party gives such notice, the parties will select a new five-member panel according to the process above, provided however that any current member of the five-member panel shall be eligible for selection on the new panel only by mutual agreement of both parties. If neither party gives notice by August 1 of its intent to select a new panel, the existing five-member panel shall automatically renew for the next twelve-month period beginning October 1.

Second. The parties by agreement can submit multiple grievances to the arbitrator to be decided at the same time. One arbitrator from the panel will be selected to hear any and all grievances submitted to Expedited Arbitration at each setting. The arbitrators selected for each such setting of Expedited Arbitration shall rotate consecutively through the panel.

Third. Neither party will submit briefs to the arbitrator nor will a transcript be made. The arbitrator shall render a bench decision and deliver it verbally to the parties immediately after hearing the evidence. Such decision shall be binding on the parties and Form D shall reflect that decision. There is no provision for an Executive Session.

Fourth. The parties shall equally share the expenses of the arbitrator and the meeting room. The parties shall themselves bear any other costs they incur.

Fifth. Unless the parties agree otherwise, the parties shall be represented at the arbitration only by those individuals who were present during the "step C" process. Neither party will be represented by an attorney, paralegal nor any other person not normally involved in the grievance process.

Section 3. Time Lost:

If in any step prior to arbitration, meetings between the aggrieved employee and his representatives and the representatives of the Company are mutually arranged, employees affected shall not lose their pay for scheduled time lost because of attending such meeting. In the event an aggrieved employee and his representatives employed by the Company are required by the Company to leave their normal working area in the handling of a grievance and such grievance is determined to be well founded, the Company will reimburse the employee and his said representatives (not in excess of three persons including such employee) for their reasonable expenses incurred in connection therewith.

Section 4. Reinstatement of Employee:

If it is determined by any of the procedures contained in this Article VI that an employee has been suspended or discharged without just cause, such employee shall be reinstated to his former position with full pay for time lost due to such suspension or discharge: or shall be paid such other amount as may be agreed upon or determined to be fair and just, and shall suffer no loss of seniority.

Section 5. When any matter has been submitted to the grievance procedure, such matter shall thereafter be handled only through the grievance procedure.

Section 6. The authorized representative or representatives of the Brotherhood who are employees and/or the Business Manager of Local Union 50 may discuss with the Manager general matters pertaining to the interpretation or administration of any terms of this Agreement without having to resort to prior steps in the grievance procedure.

ARTICLE VII

MANAGEMENT

Section 1. Subject to the provisions of this Agreement, the Company will exercise exclusive right to set its policy; to manage its business in the light of experience, good business judgment and changing conditions; to determine the qualifications for and to select its managerial and supervisory forces and other employees; to promote or demote employees, to determine the number of employees it will retain in its service at any time during the life of this Agreement; to make reasonable rules and regulations governing the operation of its business and the conduct of its employees; to enforce discipline for violation of rules and other misconduct; to suspend or discharge employees for just cause; and to determine the qualifications for and to hire new employees.

The Company shall have the exclusive right to determine the duties of each job classification.

Section 2. The parties agree that work of the character now being performed by supervisors shall not be expanded in such manner as to broaden the scope of supervisory work to the end of decreasing the amount of work available to employees in the Unit.

The Company agrees that, in principle (except in emergencies or for the purpose of instruction or training) supervisory employees should not perform manual work that properly belongs in the Unit to such extent as to take work away from employees in the Unit or deprive them of proper training.

Grievances under this Section 2 can be initiated only by the Local Union.

Section 3. Any employee who may be suspended or discharged shall, when he so requests, be advised promptly in writing by the Company of the reason or reasons for such suspension or discharge and a copy of such statement shall be furnished his Local Union.

Section 4. It is agreed that the employees may choose their places of residence, without hindrance by the Company, but the parties hereto recognize that, because of the nature of the service rendered, employees should be available and accessible in times of emergency.

ARTICLE VIII

CONTRACTING WORK

The Company represents that, in general, it is its policy to maintain in its employment a sufficient force of regular employees to take care of its normal volume of work and, accordingly, no work of the type ordinarily and customarily performed by regular employees shall be contracted out in any Division, District or Plant if it can be shown that regular qualified and available forces, who would ordinarily and customarily do that particular job in that Division, District or Plant, can complete the job within the required time without undue cost to the Company. When in the Company's judgment regular employees, in a given Division, District or Plant, who would ordinarily and customarily do the work, cannot perform a particular job in the time required without undue cost to the Company, the Company may contract out the job. If, thereafter, the Local of the Brotherhood involved can show that regular employees, who would ordinarily and customarily perform such job, can complete it within the required time without undue cost to the Company, the Company will thereupon give that work, which has been contracted out, to its regular employees. When requested by the Local of the Brotherhood involved the Company will furnish the facts on which it based its decision to contract out work. When there is a difference of opinion between the Brotherhood and the Company as to the propriety of contracting out work, the difference may be settled in accordance with Article VI.

Emergency maintenance work caused by fire, flood, storm or other major difficulty shall not be subject to the provisions of this Article.

Contractors employed under the provision of this Article shall be requested to give preference in employment to persons previously laid off by the Company because of reduction in working forces and who are qualified to do the work thus contracted out.

Other factors being substantially equal, contractors who employ members of the I.B.E.W. will be given preferred consideration when the Company contracts for work to be done.

ARTICLE IX

MEDICAL EXAMINATION

Section 1. The Company reserves the right to arrange at its own expense for medical examinations of any employee at any time for the purpose of determining the fitness of the employee to continue in his position. In the event of such examination, a doctor designated by the employee shall be furnished with a copy of the medical examination of such employee.

Section 2. Whenever in the opinion of the Company's Medical Director there is a question as to an employee's physical or mental fitness to continue in or return to either his regular position or any other position, the Medical Director may request (in writing) such employee to authorize and such employee will authorize his own doctor (or doctors), if any, to furnish the Company's Medical Director with any available medical information which the employee's doctor (or doctors) already has. Authorization forms shall be mailed to the employee's home address. The employee will not be penalized if his doctor (or doctors) refuses to furnish such information even though authorized to do so, provided the Company's Medical Director is given a copy of the said written authorization.

Section 3. The Company will try, as heretofore, to furnish employment for which they are fitted to employees who have become unfit to continue to perform their regular duties.

ARTICLE X

WAR EMERGENCY

Section 1. Employees who are now in the service of the United States and who, by virtue of any law, are entitled to reemployment rights, and employees who hereafter enter the service of the United States and are by law entitled to reemployment rights, will be considered as being on leave of absence or furlough and shall, during said leave of absence, continue to accumulate seniority for the purpose of this Agreement.

Section 2. Any employee qualifying under Section 1 who exercises his reemployment rights in accordance with the terms of the applicable laws and who is still qualified to perform his duties shall, unless the Company's circumstances have so changed as to make it impossible or unreasonable for the Company to do so, be reinstated by the Company to his former position or a position of like seniority, status, and pay. If promotions have been made during the absence of such employee in the service of the United States to which promotion such employee would have been eligible, he will be granted a period of three months immediately after his reinstatement in which to qualify for such promotions. If at any time during the said three-month period he becomes qualified, he will be given the job to which he would have been promoted provided his seniority and competency entitled him thereto.

Section 3. An employee who by reason of war emergency has been or is required to transfer from one Department to another, shall continue to accumulate his seniority in the Department from which he was or is transferred unless and until he has chosen or chooses to exercise job seniority in the Department for purposes of promotion. If the employee does not exercise such seniority, but returns to his Department, he shall be accorded the rights given in Section 2 to reinstated employees.

Section 4. An employee called, prior to induction or prior to return to active duty, for physical examination for Military Service will be paid at his straight time rate for the time necessarily lost from his normal working schedule to take such examination.

Section 5. An employee, who does not use earned vacation during the Annual Training Duty, will be paid a supplement by the Company equal to the difference between his base military pay and the regular straight time wage he would have earned had he worked for the Company during his training duty (maximum of ten (10) working days per year).

ARTICLE XI

SENIORITY

Section 1. Definitions

The following definitions shall apply to the language of this Article XI:

A. Service

Length of continuous employment in the Company or its predecessor companies shall be "service."

B. Seniority

Length of continuous regular assignment in a job classification within a Department shall be "seniority," (except as otherwise provided in Article IV, Section 1; Article X; Article XI, Sections 2, 5B, 6, and 8.)

C. Single Job Classification

Where one or more job classifications are grouped into one step in a promotional series as shown on a Promotion Chart hereinafter provided for, such group shall be considered as a single job classification for the purposes of this Article XI.

D. Department

For the purpose of this Article, the Company shall be divided into the following

Departments:

Propane Departments

1. Chesapeake
2. James City County

Construction and Operations Departments

1. Norfolk Service Area (Southern Division)
2. Newport News Service Area (Northern Division)
3. Hanover Service Area (Hanover District)

Corporate Department

1. Stores

E. Locality

For the purpose of this Article XI, a Locality shall be the employee's regular place of assembly, except in instances of satellite places of assembly which shall be considered as in the Locality of his headquarters.

F. Line of Promotion Chart

A "Line of Promotion Chart" for each Department shall be adopted. The chart shall be mutually satisfactory to Local Union 50 and the Company, and shall show the promotional series in each line of promotion covered by this Agreement from the entrance job classification to the higher job classifications. It is recognized that some job classifications in the Bargaining Unit are not related to any other job classifications, and these may be shown as individual job classifications. It is mutually agreed that certain other job classifications, although related to the job classifications shown in the direct line of a promotional series, are such that training within these job classifications is not essential to qualify for promotion to a higher job classification; and these certain other job classifications may be shown by mutual agreement as offsets to the direct line of a promotional series. The current Promotion Chart shall be used for the application of the seniority approved on behalf of the Local Union, by the President of Local Union 50 and on behalf of the Company by an authorized Officer of the Company.

G. Promotion

A promotion shall be considered as a change, other than a temporary assignment, from one job classification to a job classification carrying a higher scheduled maximum rate of pay or to a higher job classification in a line of promotion as shown on the Promotion Chart.

H. Demotion

A demotion shall be considered as a change, other than a temporary assignment, from one job classification to a job classification carrying a lower scheduled maximum rate of pay or to a lower job classification in a line of promotion as shown on the Promotion Chart.

I. Transfer

A transfer shall be considered as a change, other than a temporary assignment, within a Department or between Departments without any change in job classification or from one job classification to another job classification carrying the same scheduled maximum rate of pay.

J. Temporary Assignment

Temporary Assignments are temporary changes in job classifications under which the employee so assigned receives no permanent advantage in seniority. The pay rates of the employee so temporarily assigned are specified in Article XVII, Sections 5, 7, and 10.

Section 2. Determination and Termination

A. Service and seniority shall be determined from the Company's records and shall be extinguished by layoffs in excess of twenty-four (24) consecutive months, by voluntary severance of employment, by discharge or release for just cause and may be extinguished by leaves of absence amounting to an aggregate of six (6) months within any two-year period, except as provided in Articles IV and X hereof.

B. Employees acquired from employers, whose properties become a part of the Company, shall be given seniority for continuous service with such employer in jobs comparable to those in the Bargaining Unit.

C. If two or more employees have the same seniority, then the order of their seniority in the particular job classification shall be determined by their service.

D. A temporary assignment shall not be counted for seniority purposes in the job classification to which the employee is temporarily assigned. Time on temporary assignment shall be counted in that job classification to which the employee is regularly assigned.

E. When an employee is awarded a job classification, appropriate seniority changes shall become effective the date of such award. Payroll changes shall become effective as of the date an employee is regularly assigned to the job classification.

Section 3. Information

A. The Company agrees to post annually and simultaneously in accessible places in each Department the Seniority List as of April 1, covering the employees of such Department. A copy of the list will be sent to Local Union 50. Such list shall show by job classification the following: (1) employee's name, (2) seniority, (3) service. The Company will notify Local Union 50 of all changes in status and location of employees and the name, address, employment date, classification, and location of new employees. The Company will supply to the Brotherhood once each year the names and addresses of employees in the Bargaining Unit.

B. When a job classification is awarded under Section 4, all applicants, employees bypassed and the Local Union 50 will be advised by the Manager as to whom was selected. In the case of a bypassed employee, Local Union 50 will also be advised.

Section 4. Preference in Promotions, Demotions and Transfers

A. In Line of Promotion

1. Promotion

The parties hereto agree that the promotion of employees shall be in accordance with the lines of promotion as shown on the applicable "Line of Promotion Chart," and that consideration shall be given to the fitness, ability, efficiency, and other qualifications of available employees as determined from the records and knowledge of the Company. Where such qualifications are deemed adequate by the Company, seniority and the appropriate Promotion Chart shall govern the selection of employees for such promotions, except that the seniority of an employee in a job classification shown as an offset job classification in a promotional series as provided in Section 1 of this Article XI shall not prevail over that of an employee in the next lower job classification in the direct line of a promotional series, or any intervening offset job classifications, when his combined length of continuous employment in: (a) the offset job classifications, plus (b) in any intervening offset job classification, plus (c) in the next lower job classification in the direct line of a promotional series, is less than the seniority of the other employee in the next lower job classification in the direct line of a promotional series, or any intervening offset job classification. The selection and assignment of the service mechanic shall be made by the Company from among those employees in the Thereafter step of the following classifications:

- (1) Welder
- (2) Operations Mechanic
- (3) System Mechanic
- (4) Utility Mechanic

2. Transfers

An employee who bids for a vacancy in his job classification (or single job classification) in another Locality in his Department shall be given preference over all other employees in his promotional series except those with greater seniority in his job classification or an employee exercising his right under Section 5, Subsections B-2 and B-5 of this Article XI.

3. Opportunity to Qualify

The senior employee, subject to the exception as provided in Section 4A-1 of this Article XI, in any job classification in a promotional series shall be given an opportunity to qualify himself for a job in his Locality in the next higher job classification in the direct line of his promotional series. The Company will endeavor to train employees in accordance with their seniority where practicable.

4. Temporary Assignment

When a temporary assignment is to be made to a higher job classification except for training purposes, the senior qualified employee in the next lower job classification in the promotional series available in the Locality will receive such assignment provided the assignment is subject to temporary assignment pay.

B. Entrance Job Vacancy

Notice of a vacancy in an entrance job within the Bargaining Unit will be posted in the Locality involved, on appropriate bulletin boards as soon as it has been determined that a vacancy exists. This notice shall remain on such bulletin boards for at least forty-eight (48) hours exclusive of Saturday and Sunday. This shall be the only notice posted of such entrance job. A copy of such notice shall be sent to the Local Union involved at the same time as the posting is made.

C. Other Than Entrance Job - Vacancy

1. Notice of a vacancy, other than an entrance job classification, within the Bargaining Unit will be posted within all Departments, on appropriate bulletin boards, as soon as the job classification is determined to be vacant, advising employees of the kind and location of the job classification that is vacant and giving employees ten (10) calendar days to notify the appropriate Manager in writing of their desire for that job classification. A copy of such notice shall be sent to Local Union 50. Employees who do not make application within the ten (10) calendar day period shall have no grievance.

2. No posting of a notice of vacancy will be made where all employees in a Department are working in the same Locality and the vacancy is to be filled by an employee in the appropriate promotional series.

3. In order to have a right to the vacancy, an employee must be qualified in the judgment of the Company to perform the duties of the vacancy, and if there is more than one such qualified applicant, the Company will give preference to the applicants in the following order: (1) From the promotional series, (2) From the Department, and (3) From the rest of the Company. Where the applicants are outside the promotional series, the qualified applicant with the greatest service will be selected.

D. When Job Not Filled Under the Procedure of C

In the event there are no qualified employee applicants for an other than entrance job vacancy, the Company may fill such vacancy and notify Local Union 50 of the person selected. In the event no person is selected within sixty (60) calendar days from the ending date of the posting and the Company determines that such vacancy is to be filled, it will be re-posted and filled under the procedure of C above.

Section 5. Rights Under Reduction in Forces

A. In case it is necessary to reduce the number of employees in any job classification, employees in such job classification in the Locality having the excess number of employees, who are lowest on the Seniority Lists, may:

1. Accept transfer to the Locality within his Department where the employee in his job classification with the least seniority is located, or
2. Accept demotion to a lower job classification in his promotional series in the Locality in which he is working, in accordance with the Promotional Chart except that an employee working in a Locality where no other employee is located may accept a demotion back to the Locality from which he was promoted or transferred, or
3. Accept demotion to any lower job classification which he is qualified to fill in any promotional series in his Department in the Locality in which he is working, providing there is an employee having less service in the lower job classification; or
4. Accept a lay-off.
5. If any such demotions or transfers necessitate a movement from the lowest job classification in any promotional series as exhibited on the Promotional Chart, the employee with the least service in or being

reduced to such lowest job classification shall move first. When there are no employees in the lowest job classification in a line of promotion, the employee or employees in the job classification next above the lowest job classification will be considered to be in the lowest job classification for the purpose of determining the order of movement out of the line of promotion.

6. When an employee having five (5) or more years of service has exhausted the rights reserved to him under Subsections 1 and 2 above and such employee does not wish at that time to exercise his rights under 3 or 4 above, the Company will determine from its records the locations in which employees, who have less than five (5) years of service, are working in the same job classification in which he is working, or a lower job classification in a comparable promotional series in which he has worked that is not higher than his present job classification, or a job classification the composition of which in the judgment of the Company is essentially the same as the work he is performing; then the Company will offer that employee the highest paid job classification to which he is then entitled at the location in which the employee with the least service of those having less than five (5) years of service in the job classification is located, provided in the judgment of the Company he is qualified, and will also offer him the highest paid of (1) a vacancy in an entrance job classification which the Company selects, and (2) an entrance job classification over an employee having less than five (5) years of service which the Company selects.

7. When an employee having six (6) months or more of service and less than five (5) years' service has exhausted the rights reserved for him in Subsections 1, 2, and 3 of this Section 5A and is left with no option other than to accept a layoff, the Company will prior to such layoff, offer employment, in a job classification selected by it which has a vacancy or, over an employee who has less than six (6) months of service, provided the employee is qualified.

8. The employee or employees with less than five (5) years of service displaced in the application of Subsections 6 and 7 above shall not use the general application of "seniority" to displace any person or persons with over five (5) years of service regardless of any other language in this Agreement.

B. Exceptions to Article XI, Section 1B on Account of Reduction in Forces

1. Where the phrase "shall retain all his previous seniority" appears in this Subsection 5B, it shall be interpreted to mean that the employee to whom it refers shall retain, for the period of time shown, all rights he held in his former job classification at the time of his change but he can exercise such rights only after returning to such former job classification in that Department except as provided in Section 5B-5 of this Article XI.

2. An employee who accepts a transfer in his promotional series within his Department in order to preserve his employment shall be entitled to fill only the first vacancy occurring in his job classification in the Location from which he transferred.

3. An employee who accepts a transfer in the same job classification to another Department in order to preserve his employment shall retain all his previous seniority for a period of two (2) years from the date of such transfer and shall carry with him the seniority accumulated in the job classification from which he transferred. An employee who accepts a demotion to a lower job classification in a corresponding line of promotion, in another Department in order to preserve his employment, shall for the purpose of this Section 5B-3 be considered as being transferred to such job classification and shall carry with him his combined seniority in any higher job classification in his line of promotion, plus his seniority in the lower job classification from which he transferred.

4. An employee who accepts a transfer to another job classification in order to preserve his employment shall retain all his previous seniority for a period of two (2) years from the date of such transfer.

5. An employee who accepts a demotion in his promotional series in order to preserve his employment, shall retain all his previous seniority and his seniority in the lower job classification shall be based on the total of the time served previously in that job classification plus the time served in any higher job classification in his promotional series. For the purpose of promotion or temporary assignment in his promotional series, his

seniority shall transcend for a period of two (2) years the seniority of all other employees who were below his job classification in his promotional series, or had less seniority in the job classification from which he was demoted.

6. An employee who accepts a demotion, not in his promotional series, in order to preserve his employment, shall retain all his previous seniority for a period of two (2) years from the date of such demotion.

7. If an employee accepts a layoff, he shall retain: all seniority at the time of his layoff for a period of two (2) years from the date of such layoff.

8. An employee who accepts a promotion to an entrance job classification in any Department, in order to preserve his employment, shall retain all his previous seniority for a period of two (2) years from the date of such promotion.

Section 6. Special Consideration in Certain Cases of Disqualification

A. If within the sixty-day period immediately following a promotion, it is decided either by the Company or by the employee that he is not qualified to perform the work of the new job classification, the employee will be demoted back to his former job classification and shall have included in his seniority in his former job classification time spent in the higher job classification. An employee entering a development program from another promotional series who fails to progress beyond the step in which he enters within the time specified for that step shall be returned to his former job classification and shall have included in his seniority in his former job classification time spent in the step in which he entered the program.

B. Any employee of the Company covered by this Agreement who is injured while on duty shall continue to accumulate seniority and service during his absence due to such injury, and shall be reinstated, upon recovery, to his former job with full seniority rights, provided he is, in the judgment of the Company, physically and mentally qualified to do the work. If, by reason of the circumstances noted above and it is found that under Article XIV, Section 2 of this Agreement that the injury in line of duty was not due to the employee's misconduct or violation of rules, and such employee cannot be reinstated to his old job, he will be awarded such job classification as is available to him under Section 5 of this Article XI, and for which he is in the judgment of the Company physically, mentally, and otherwise qualified to perform and, if the job classification is a lower paid job classification, his pay shall be reduced ten (10) cents per hour and reduced further ten (10) cents per hour at the end of each succeeding four (4) months period until he has been reduced to the highest rate of pay for his new job classification or to 80% of his rate in the job classification from which and at the time he was demoted whichever is the higher. If such employee has at least five (5) years of service he shall suffer no reduction in pay as formulated above. He shall continue to accumulate seniority in his former job classification and shall be reinstated, upon recovery, to his former job classification, provided he is physically and mentally qualified, in the judgment of the Company, to do the work.

An employee unable to accept a promotion, to which he would be entitled by reason of Article XI, Section 4, on account of disability resulting from an on-duty accident, not his fault, shall when sufficiently recovered therefrom in the judgment of the Company's Medical Director to accept such promotion, if within three (3) months thereafter he can qualify, be given the promotion provided he returns to work within one (1) year of the date of such accident and is physically able to accept the promotion within one (1) year after his return to work.

C. Except as covered by B and D of this Section, an employee who, in the judgment of the Company, can no longer perform the duties of his job classification because of physical or mental disability as the result of injury or illness, may be reduced to such job as is available to him under Section 5 of this Article XI and for which he is physically, mentally, and otherwise qualified in the judgment of the Company. He shall continue to accumulate seniority in his former job classification and shall be reinstated, upon recovery, to his former job classification, provided he is physically and mentally qualified, in the judgment of the Company, to do the work.

D. An employee, who has rendered long and faithful service and who is no longer physically able to satisfactorily perform the requirements of his job classification, will not be laid off as long as he can and does

perform the requirements of, (1) a lower job classification in his promotional series, or (2) the highest job classification outside his promotional series then being performed by an employee with less service in his Locality.

If the acceptance of any such assignment creates an excess number of employees in this new job classification, the other employees in that job classification shall be governed by the provisions of Section 5 of this Article XI.

E. The seniority of an employee demoted under these Subsections B, C, and D to a lower job classification in his promotional series shall be based on the total of the time served previously in that job classification plus the time served in any higher job classifications in his promotional series.

F. If any employee becomes disqualified to perform the duties of his job classification for reasons other than those in Subsections A, B, C, and D of this Section 6, or elects to be demoted, such employee may be demoted to the highest job classification in his promotional series which he is qualified to fill in the following manner:

1. The job classification from which the employee is to be demoted shall be posted and awarded in accordance with the regular seniority provisions.

2. The employee who is to be demoted shall be demoted to the job classification and the Locality left vacant by the awarding of the job in "1" above.

In the event the employee who is to be demoted is not to be demoted to the next lower job classification in his promotional series and who is to be demoted to some other lower job classification in his promotional series, all intervening job classifications shall be posted and awarded in accordance with "1" above. His seniority shall be the date of regular assignment to the job classification to which he is demoted.

Section 7. Original Force Requirements

In filling original force requirements in a new Department, the regular rules of seniority shall apply. However, in establishing the original Seniority List of employees recruited in filling original force requirements, all of such employees shall be considered as being simultaneously assigned to the job classification involved as of the date of beginning of operation of the new Department.

Section 8. General Rules

A. 1. If employees laid off in accordance with Section 5A of this Article XI are to be recalled, they shall be recalled on the basis of seniority to the job classification and location from which they accepted a layoff unless such job classification is an entrance job classification, in which case they shall be recalled on the basis of service.

2. The Company, in requesting a laid off employee to return for reinstatement, shall notify such employee by a letter mailed to his last known address, copy of which letter shall be sent to the Local Union. If, within five (5) business days of the mailing of such notice, the employee accepts reinstatement, the job will be held open for him until ten (10) business days from the date of mailing (certified mail, return receipt requested) of the original Company notice. In order to expedite this process, communication using the telephone, fax or e-mail will be considered acceptable means of notification.

If no acceptance is received from the employee within the five (5) business days or he fails to report for duty within the ten (10) business days from the mailing of the original notice, such employee shall be considered to have resigned and shall be removed from the Seniority List.

B. 1. If an employee, who is entitled to preference in accordance with Section 4, is not awarded the job classification, the Company's reasons shall, upon the employee's request, be given in writing to him and to Local Union 50, and provided further, that if any employee feels himself aggrieved by any action of the Company in promoting an employee and complains to the Company that such action was unreasonable, arbitrary, or unjustly

discriminatory as to him, he or the Brotherhood then shall have the right, without intending to impair in any way the rights of Management, as set forth in Article VII hereof, to have such question reviewed and decided under the grievance procedure in Article VI hereof.

2. It is the responsibility of the employee who applies for a job classification outside his promotional series to state in his application his qualifications for the job classification he seeks. It is understood that the Company in forming its judgment of his qualifications may rely upon its records and knowledge, including such applications, without further investigation.

3. In the event an employee chooses not to accept a promotion, it shall have no effect upon his future opportunities for promotion.

4. If two or more qualified employees have the same seniority and service, the Company shall determine which of these employees shall be selected for promotion or transfer.

5. It is mutually recognized that the number of jobs in any job classification is limited by the amount and nature of the work to be done, and that promotions can be made only when additional employees are required in the higher job classifications.

6. When an employee is deprived of a promotion or transfer or is demoted due to a previous misapplication of seniority, the matter may be referred for a determination to the Manager within twenty (20) workdays after notification of the change to the Brotherhood. If thereafter, it is mutually determined that the employee's seniority was misapplied and it is deemed proper, such adjustment will be made. The employee, if qualified, will be awarded the job as soon as practical. It is agreed that this mutual determination shall be final.

7. If two employees are entitled to promotions simultaneously to the same job classification, such promotions shall be made on separate days to insure that following the promotions the senior employee will continue to be senior to the other in the higher job classification.

C. An employee may file an application through his Manager for one entrance job classification, which is or may become, vacant. Should the Company determine to fill a vacancy which exists at the time application is made, or within sixty (60) days thereafter, such applicant will receive consideration equal to that given to all others who have or may apply for the job classification. In the event more than one employee applies for the same entrance job classification, and the Company determines that one of the employee applicants is to be offered the job classification, if all other considerations are at least relatively equal in the judgment of the Company the job will be awarded on the basis of service. The Company will endeavor to accommodate the wishes of employees who make application as set forth herein, but it is agreed that the selection made by the Company shall be final.

D. An employee may file a written application through his Manager for one position which is or may become vacant outside of the Bargaining Unit. Should the Company determine to fill a vacancy which exists at the time application is made, or within sixty (60) days thereafter, such applicant will receive consideration equal to that given to others who have not or may apply for the position. In the event more than one employee applies for the same position, and the Company determines that one of the employee applicants is to be offered the position, if all other considerations are at least relatively equal in the judgment of the Company, the employee with the greatest service will receive the offer.

If such a position is awarded to an employee and he fails to meet the qualifications required in his new position during the first sixty (60) days, he will be returned to his previous job classification and location with seniority equivalent to that which he would have had if he had not accepted a position outside of the Bargaining Unit.

E. All moves from Locality to Locality or Department to Department, except those required by the Company, shall be at the employee's expense.

F. An employee who is required by the Company to move from one Department to another shall continue to accumulate seniority in his previous job classification. Such seniority standing shall be terminated if such an employee for the purpose of promotion in that Department exercises the seniority acquired in his new job classification.

G. Should it become necessary to reduce a Supervisor into the Bargaining Unit, because of reduction in forces, such Supervisor may be placed at that location where he was last employed as a Supervisor, or in any Locality if there are no Bargaining Unit jobs in the location where he was last employed as a Supervisor, in the job classification or comparable job classification from which he was promoted or any lower job classification in his former promotional series, or comparable promotional series, provided there is an employee in the job classification or comparable job classification, who has less service. To provide a vacancy for such Supervisor, in such job classification, the employee with the least seniority in that classification shall be reduced in accordance with Section 5 of this Article XI. The Supervisor shall be given seniority effective as of the date of such reduction.

Should it become necessary to reduce a Supervisor into the Bargaining Unit because of reasons other than reduction in forces, he shall be reduced under the same basis as in the foregoing paragraph except he shall not have a right to displace an employee in the job classification to which he is demoted nor shall he take with him any previous seniority that he had prior to promotion. The selection of the job to which the employee is demoted shall be made by the Company.

ARTICLE XII

COURT ATTENDANCE

Section 1. Employees attending a court trial or conference in the interest of the Company will be paid on a straight time basis for actual time required or time necessarily lost for such purposes, whichever may be greater.

Section 2. The Company will pay an employee presenting verification of reporting to serve jury duty, straight time earnings for the time which such service forces him to lose from his regularly scheduled hours of work. The time of such service shall not be counted as time worked in computing overtime, and such payments shall not be subject to any premium pay for holidays, for off-scheduled work, or for differential pay, or to any other premium pay.

An employee while serving on jury duty shall report for work during his regular scheduled working hours whenever the jury is not in session or if released from jury duty before the end of his regular scheduled working hours. He shall be paid the difference between fees paid to him by public authority and straight time earnings for eight (8) hours therefore.

ARTICLE XIII

EXPENSES

Section 1. The Company agrees that transportation and lodging made necessary because of assignments by the Company away from the employee's regular place of assembly will be provided by the Company.

Single room accommodations will be provided at the place of lodging designated by the Company, if requested and if available. The Company will furnish all necessary meals of reasonable cost whenever such an assignment requires overnight lodging.

Section 2. The Company agrees to furnish employees a fixed meal allowance or, at no cost to the employee, a meal of reasonable cost, but not both, whenever the employee is deprived of his normal meal arrangement. Neither will be furnished when the employee begins work no more than one (1) hour before his regularly scheduled workday or works no more than two (2) hours beyond the end of his regularly scheduled workday.

The Company agrees to provide all meals or meal allowances when working overtime before or after scheduled work day at reasonable intervals. Employees who are called out on emergency without previous notice and miss a meal thereby, the Company will provide a meal or meal allowance. Employees who are furnished a meal at the work site shall be allowed a paid break for eating. Employees furnished a meal allowance shall not be allowed a paid meal break.

When an employee has had previous notice of holiday or rest day work, such holiday or rest day work shall be considered as work performed on a regularly scheduled workday for the purpose of furnishing meals or meal allowances except when the notice of such work did not include work beyond the noon meal hour and the work continues beyond that hour, a meal or meal allowance will be provided.

Section 3. Effective following ratification of this agreement, the meal allowance as discussed in Section 2 shall be \$7.00 for breakfast and lunch and \$14.00 for dinner.

Section 4. When employees are required by the Company to attend meetings of any kind, the meetings will be held on Company time and at Company expense.

Section 5. The Company agrees that where an employee is required by the Company to maintain a telephone, the Company will pay all cost attributable to the Company's business.

Section 5. Where an employee is required by the Company to drive Company vehicles and is required by law to have a Virginia Commercial Driver's license for this purpose, the Company will pay the difference between a regular license and the CDL.

ARTICLE XIV

SICK LEAVE

Section 1. Sick leave benefits for employees covered by this agreement shall be the same as non-exempt, non-bargaining unit employees at Virginia Natural Gas Company.

Section 2. The company will provide paid sick leave to all eligible employees for period of temporary absence due to illness, injury or wellness visits. Employees can use sick leave only for the employee's own illness or injury. In addition to sick leave, employees may use up to 40 hours of wellness time for their own wellness checkups, i.e., appointments with the employee's personal doctor or dentist. Employees can also use this time for those days when employees need to be the primary caregiver for an immediate family member (spouse, parent, child) who is ill. Sick leave may not be used for "personal" absences or to supplement vacation time. In addition, employees may not charge time to sick leave during holidays.

Section 3. Effective January 1, 2007, the Company will provide an annual sick leave benefit of 80 hours per calendar year for all full-time employees. Part-time and temporary employees are not eligible for sick leave benefits. New full-time employees are eligible for sick leave benefits after six months of employment.

Rollover Benefit

Eligible employees will be able to enhance this benefit by banking up to 80 hours of unused sick leave from the previous year. Employees who exhaust their sick leave benefits by or before the end of the calendar year will not be eligible for any rollover benefit. All bankable hours will be automatically added to the following year's balance. An employee's total sick leave will not exceed 160 hours for a calendar year.

Short Term Disability

The maximum number of short term disability days is 180 calendar days; this includes paid sick leave days which run concurrently with short term disability. Short term disability pay starts when an employee exhausts all paid sick leave. The Company's administrator will work with the employee's physician to determine if an employee is eligible for short term disability. After your sick leave, that is paid at 100% runs out then you will receive short term disability at 70% of base pay. The total of sick pay and short term disability pay does not exceed 180 calendar days.

Section 4. Certification by an employee's health care provider is required for absences of three or more consecutive workdays or for intermittent absences due to the same reason. Employees may also be required to supply a health care provider's certification to a supervisor at any other time requested, including prior to reinstatement after an absence of three days or more.

Section 5. Employees' sick leave benefits will be fully integrated with other benefits available so that at no time will an employee be paid more than that employee's regular compensation. Employees will not accrue sick leave during unpaid leaves of absence.

ARTICLE XV

VACATIONS

Section 1. The vacation period for all full-time employees is January 1 through December 31 each year. Employees may not carry over vacation from one year to another unless the Company requests that they do so. Vacations are paid at straight time rate.

Employees are encouraged to take their vacation hours on consecutive work days unless the employee's local manager or immediate supervisor approves otherwise.

On January 1 of each year, employees will be credited with vacation hours according to the following schedule, based on what anniversary of the employee's hire date will occur during the coming year.

Calendar Years of Service	Amount of Vacation
1 – 4 years	80 hours
5 –14 years	120 hours
15 – 24 years	160 hours
25 or more years	200 hours

By way of example only, regardless of the date on which the employee was hired, on January 1 of the year that the employee will reach his or her fifth anniversary, such employee shall be credited with 120 hours vacation.

New employees hired prior to June 30 are entitled to 40 hours of paid vacation during the year hired. New employees hired after June 30 are not entitled to vacation pay during the year hired. All new employees are required to work at least three months before using any vacation, unless approved by his or her supervisor or manager.

Section 2. If, during an employee's vacation, one of the holidays specified in Article XVI, Section 1 falls on a day on which he would have been scheduled to work had he not been on vacation, he shall be entitled to an extra day of vacation.

Section 3. Normally, an employee's vacation will start at the beginning of his workweek. No employee shall be assigned work on any rest days immediately prior to or after his vacation schedule except in emergencies. This Section shall only apply to scheduled vacation for the entire workweek.

Section 4. No employee may demand extra pay in lieu of vacation. To meet emergency conditions when requested by the Company, the employee may work during his vacation and may receive regular pay for forty (40) hours per week in lieu of his vacation plus regular pay for whatever time he works during such vacation period. No employee will be allowed to forego a part or all of his vacation and continue at work when his absence on vacation would merely require that other employees in the same job classification work overtime.

An active full-time employee with at least 12 months of service as of December 31, who leaves the Company (for any reason other than RIF or retirement) on or after January 1, will be reimbursed a prorated amount of his or her vacation benefit, including any rollover, if applicable.

This reimbursement will be based on the:

- Month in which the employee leaves; and
- Amount of vacation benefit taken by the employee prior to leaving.

Example: An employee with a vacation benefit of 120 hours resigns in July. The employee has taken 40 hours of vacation prior to the termination date. The employee will be reimbursed a prorated amount of vacation benefit based on employment from January through June of the calendar year minus the 40 hours of vacation used.

Calculation: $120 \text{ hrs.} \times 6/12$ (prorate factor) = 60 hrs. vacation - 40 hrs. = 20 hrs. to be reimbursed.

Section 5. Any employee having been continuously employed by the Company for as much as one (1) year who is laid off due to lack of work, and who is called back to work within twenty-four (24) months, for the purpose of computing the vacation he is entitled to under Section 2, Section 3, Section 4, Section 5, Section 6, and Section 7 of this Article XV, as may be appropriate, shall have included the time he had continuously worked before such layoff and time in such layoff in his period of continuous service. He shall be entitled to such vacation in the calendar year in which he is called back only after he works four (4) months and provided there remains thereafter sufficient time in that calendar year in which to take the vacation.

Section 6. Prior to January 1st of each calendar year, or as soon as possible thereafter, department heads will consult with all regular employees entitled to vacations, and from such consultations the Company shall establish the working schedule for the vacation period. The Company, in determining vacation schedules, will respect the wishes of the employees as to the time of vacation insofar as the needs of the service will permit.

Employees may schedule up to five (5) nonconsecutive days of their vacation. These five (5) separately scheduled days of vacation shall not be changed without ten (10) days notice except in emergency.

All vacation must be used in the calendar year before the employee will be granted any day off with permission.

Employees may schedule vacation in two (2) hour increments, not to exceed sixteen (16) hours (2 days) during any calendar year.

Section 7. Any employee recalled by the Company from his vacation shall be reimbursed for all expenses incurred in connection with such recall and shall be allotted additional vacation time and pay for the unexpired portion thereof, including travel time if such is of weight as a factor.

Section 8. Vacation schedules, scheduled for the entire workweek, shall not be changed without thirty (30) days notice except in emergency. It is agreed that the Company will endeavor to grant an employee's request to change his vacation in the event of his illness if the request is made before the week of vacation has begun.

An employee who is permitted a day off due to a personal emergency may elect to charge such time off (up to maximum of two (2) days in each calendar year) to unused vacation time for that calendar year. The employee will specify to what vacation day this time should be charged upon his return to work.

Section 9. For the purpose of determining the length of vacation, under this contract, to which an employee who returns or heretofore has returned to the service of the Company after a leave of absence for military service is entitled, time spent in the military service of the United States shall be counted as a part of such employee's continuous service with the Company.

Section 10. An employee who has been re-employed, shall, after a period of one year of satisfactory service following re-employment, be given credit for past service, only in computing vacation entitlement.

Such an employee shall receive additional vacation in the year in which such past service is credited only if there remains thereafter sufficient time in the calendar year in which to take the vacation.

Section 11. An employee who is receiving workmen's compensation at the end of the calendar year, upon giving written notification to the Company may carry over to the following year any unused vacation.

ARTICLE XVI

HOLIDAYS

Section 1. Effective January 1, 2007, the following holidays, except as otherwise provided in Sections 3 and 4 of this Article XVI, will be observed as holidays with eight (8) hours' straight time pay. For purposes of scheduling, pay and treatment of emergency situations, floating holidays will be treated the same as vacation days.

New Year's Day
Martin Luther King, Jr. Day (National Date)
Memorial Day
Fourth of July
Labor Day
Thanksgiving Day
Day after Thanksgiving
Christmas Eve
Christmas Day
Floating Holiday (2)

Section 2. If any of the above holidays fall on Sunday, the following day shall be observed in lieu thereof, except that employees who work on a schedule requiring seven (7) day coverage and that Sunday is their regularly scheduled work day shall work and receive holiday pay for Sunday. If any of the above holidays falls on Saturday, the preceding Friday shall be observed in lieu thereof, except that employees who work on a schedule requiring seven (7) day coverage and that Saturday is their regularly scheduled work day shall work and receive holiday pay for Saturday.

If the Christmas holidays (December 24 and December 25) should fall on Sunday and Monday respectively, all employees shall observe the holidays on Sunday and Monday, likewise, if the holidays fall on Friday and Saturday they shall be observed on Friday and Saturday.

Section 3. If an employee is notified forty-eight (48) hours in advance that he is to work on a holiday and fails to report for work without an acceptable excuse, he shall not be paid for that holiday.

Section 4. An employee who has not worked within the thirty (30) day period prior to a holiday shall not be paid for that holiday. If he has not worked within the thirty (30) day period, but has usable sick leave credit under Article XIV he shall be paid for the holiday.

Section 5. Employees who are on military leave of thirty (30) days or more at time of holiday will not be paid holiday pay.

ARTICLE XVII

WAGES

Section 1. The rates of pay of the employees covered by this Agreement shall be the rates appearing in Schedule "A" attached hereto and made a part hereof.

Section 2. All employees shall be paid every two weeks on Fridays during working hours.

Section 3. If an employee is promoted to a higher job classification, he shall be paid the rate of pay in the higher job classification which is next above his rate of pay prior to promotion, unless the total time he has worked in both the higher and lower job classifications is less than the time normally worked in the higher job classification to attain such rate of pay, in which case he shall be paid the rate to which he would be entitled by the length of time worked in both job classifications, and shall remain at that rate of pay for a period no longer than the period set forth for that particular rate in the wage schedule.

The above will apply except when an employee, who has been demoted in his line of promotion, in order to preserve his employment because of a reduction in forces, is subsequently promoted or temporarily assigned and subject to temporary assignment pay, to a job classification in his line of promotion carrying a higher maximum rate of pay than the one from which he was demoted, his rate of pay in his new job classification or temporary assignment shall not be less than the next step above the rate of pay in the job classification from which he was demoted.

Section 4. If an employee is reduced to a lower job classification, he shall be paid at not less than the rate of pay in the lower job classification next below his rate prior to his demotion, unless the total time he has worked in both the higher and lower job classifications is less than the time normally worked in the lower job classification to attain such rate of pay, in which case he shall be paid the rate to which he would be entitled by the length of time worked in both job classifications.

If an employee with six (6) or more months of service is reduced to a lower job classification in his line of promotion or to an entrance job classification in order to preserve his employment as the result of a reduction of forces, he shall be paid the rate of pay in the lower job classification which is immediately below his rate of pay in the higher job classification from which he was demoted.

Section 5. If an employee be explicitly assigned, temporarily, for one hour or more, or prior to beginning a call-out, or planned work on a rest day or holiday, to a higher grade job classification within the Bargaining Unit, he shall be paid for each such workday, call-out, or planned work so assigned, the rate of pay in the higher grade temporary job classification which is next above his regular rate of pay, and will be given credit for each hour so worked in the application of Schedule "A".

Section 6. An employee regularly assigned to more than one classification as part of his workweek shall be paid the rate of the highest classification performed.

Section 7. An employee who retains his job classification in the Bargaining Unit while temporarily assigned to work outside the Bargaining Unit for one-half day or more shall be paid seventy-five (75) cents per hour above his regular rate of pay for the entire day if the employee replaces or substitutes for an employee normally assigned to that work. This pay shall not deprive an employee of any applicable differential pay to which he is entitled under Section 11 of this Article.

Section 8. If it be found, subsequent to the date of the Agreement that an employee is regularly and customarily assigned to a higher grade job for a portion of his time, the parties hereto agree that they shall list the job for reclassification promptly, and where circumstances warrant the job shall be reclassified.

Section 9. It is further agreed that where, in the aggregate, sufficient work of a higher grade is regularly and customarily performed by several men on the same work schedule to provide a full-time job for one or more men, such a classification and/or job will be created and a qualified, efficient employee regularly assigned thereto, provided such assignment does not require the Company to increase the number of jobs.

Section 10. An employee temporarily assigned to a lower rated job shall be paid his regular rate of pay for the temporary assignment.

Section 11. In addition to the rates provided in Section 1 of this Article XVII, employees shall be paid seventy-five (75) cents per hour if all or any part of their regularly scheduled day falls between the hours of 8:30 p.m. and 6 a.m. Such payment shall be known as "differential" pay and shall be subject to the same overtime and holiday treatment as regular rates of pay.

In computing an employee's paycheck, "differential" pay shall apply to all the hours worked in the day where differential pay applies. An employee assigned or called out to work a regular scheduled day during his rest day shall be paid premium "differential" pay applicable to that day.

Section 12. An employee who is not entitled under Article XI, Section 5, to a job with a rate of pay equal to that he receives in his present job classification and is demoted due to a reduction in forces, will receive a pay freeze and will remain at that level of pay and shall not be eligible for any general wage increases until the highest rate of pay for their new classification exceeds their current rate of pay.

An employee who has at least twenty (20) years of service who is not entitled under Article XI, Sections 6C or 6D to a job with a rate of pay equal to that he receives in his present job classification and who is demoted, will receive a pay freeze and will remain at that level of pay and shall not be eligible for any general wage increases until the highest rate of pay for their new classification exceeds their current rate of pay.

Section 13. Benefits under the Company's non-qualified Annual Incentive Plan (AIP) and Employee Stock Purchase Plan (ESPP) for employees covered by this Agreement shall be the same as non-exempt, non-bargaining unit employees at Virginia Natural Gas Company, and may be changed from time-to-time and will be the same as the plans made available to other non-exempt, non-bargaining unit employees.

Section 14. For employees required by the Company to wear uniforms, the Company will furnish each employee required to order from the "Hazardous" list a credit with the Company-approved vendor of \$500.00 per year, and for each employee required to order from the "Non-Hazardous" list a credit with the Company-approved vendor of \$400.00 per year, with no carry forward provision, for the sole purpose of buying official Company uniforms from the Company-approved vendor, as each employee needs. The amount in this section shall be adjusted from time-to-time in the same percentage as the percentage increase in the cost of the uniforms. Employees have the right to purchase Carhart overalls. Employees shall be responsible for maintaining appropriate appearance, and employees are permitted to wear shorts if safety considerations do not require otherwise.

ARTICLE XVIII

HOURS OF WORK AND OVERTIME

Section 1. All employees will work under the following conditions:

(a) All employees, except for propane department employees, shall work five eight-hour days each week, four ten-hour days each week, or seven twelve-hour days each two weeks, with work days being consecutive where possible each week. Where possible, rest days shall be consecutive. Sunday and holiday work may be regularly scheduled. Start times for all schedules shall be: (1) for field services, between 6 a.m. and 10 a.m., or 2 p.m. and 4 p.m.; (2) for construction, transmission, stores and meter shop, between 6 a.m. and 10 a.m.; and (3) for meter reading, between 6 a.m. and 10 a.m. will apply to both walking and riding routes; and 2 p.m. and 4 p.m. will be for automated riding routes only. Employees may swap schedules with another qualified employee, with the approval of the employee's supervisor, within 24 hours before the schedule begins.

(b) The Company may change employees' assignments to particular schedules on twenty-four (24) hours' advance notice, provided that the Company shall first seek volunteers to accommodate the schedule change. If there are more volunteers than needed, such volunteers will be selected in seniority order. If there are not sufficient volunteers, the Company will reassign employees in reverse seniority order. The Company will maintain a record of employees reassigned without volunteering and will on each subsequent occasion reassign the employee next in line with more seniority until the entire seniority list has been exhausted and will then start over at the least senior employee.

(c) Payment will be made at one and one-half times the regular rate for all overtime worked (except on holidays) over 8 hours on any day when the employee is scheduled to work 8 hours, over 10 hours on any day when the employee is scheduled to work 10 hours, and over 12 hours on any day when the employee is scheduled to work 12 hours. Payment will be paid at double time for overtime worked on Sunday only if the employee's scheduled work day does not contain a start time on Sunday.

(d) Payment will be made at one and one-half times the regular rate for all call-outs off-schedule (except on holidays) with a minimum of two hours at such rate for each such call-out, except to the extent such call-outs overlap or merge into regular working hours. Payment will be made at double time for all call-outs on the last rest day in a seven day period Monday through Sunday, which seven day period will be used for this subparagraph (d) only.

(e) An employee required to work on a holiday will be paid, in addition to his holiday pay as provided in Section 1 of Article XVI hereof, at twice his regular hourly rate of pay. A minimum of two hours at the above rate shall be allowed for each holiday call-out, except to the extent such call-outs overlap.

(f) Scheduled hours for propane department employees may be changed on twenty-four (24) hours' advance notice.

(g) Subject to the provisions of this Section 1, the daily hours of labor shall be subject to change by mutual agreement between the authorized representative of the Company and Local 50.

Section 2. Employees will be paid for overtime and will not be required to take time off in lieu of overtime pay. The Company will apportion overtime in each particular class of work by either the "equal opportunity" method in conjunction with two lists: an "A list" for employees who prefer to be called first for overtime, and a "B list" for employees who prefer not to be called first for overtime, or by the "red time - green time" method. The equal opportunity method will be the method initially used in all locations; however, the method used in each location involved shall be subject to change by mutual agreement between the authorized representative of the Company and the President/Business Manager of Local Union 50 involved. The procedures for using the equal opportunity method are: By use of a form agreed to by the Company and the Union, Employees shall designate whether they wish

to be placed on the “A list” or the “B list.” Employees shall be placed on such lists in service order starting with the employee with the most service.

(a) The lists will change every two weeks, at noon on Friday. An employee may move from the “A list” to the “B list” or from the “B list” to the “A list” effective at the beginning of the next two week cycle by giving the agreed upon form to the employee’s immediate supervisor or designated Company representative by Wednesday at noon prior to the end of the two week cycle.

(b) Initially, callouts will be made in consecutive order beginning with the top employee on the list. The last employee who works will be noted with a notation by asterisk, highlighting, or some other suitable method. Subsequent callouts will start with the next employee after the notation until the bottom of the list is reached, at which time the procedure will start again with the top employee on the list.

(c) When switching lists, employees will be inserted into the new list according to the employee’s service date. If an employee’s service date falls next after the employee with the notation, that switching employee will become the next employee to be called on the list. If the employee with the notation switches lists, the notation will be moved to the last non-switching employee above the switching employee.

(d) The supervisor or designated Company representative will call out employees using the following methodology:

(1) The caller will contact employees using up to two numbers (telephone(s), pager) that the employees have designated and notify the employee that overtime is needed.

(2) The second number will be used if the employee is not reached on the first number.

(3) If the caller reaches an answering machine, voice mail, or a pager, the caller will leave his or her name, the date and time of call, the purpose of the call, a callback number, and will then continue calling employees. If the employee responds before the appropriate slots are filled, the employee will be allowed to work. Employees who respond after the appropriate slots are filled will not be allowed to replace employees who have already committed to work.

(4) All employees of the classification called on the “A list” through the last employee to work will be credited/charged with an overtime callout and the notation will be moved to that employee’s name.

(5) If there is not a sufficient number of employees responding to the “A list” callout, then all employees who were called on the “A list” will be credited/charged with a callout.

(6) The caller will then begin contacting “B list” employees for that classification. Employees will be called on the “B list” using the two numbers they have designated. If the caller reaches an answering machine, voice mail, or a pager, the caller will leave the appropriate message and will then continue calling employees. If the employee responds before the appropriate slots are filled, the employee will be allowed to work. Employees who respond after the appropriate slots are filled will not be allowed to replace employees who have already committed to work.

(7) All employees of the classification called on the “B list” through the last employee to work will be credited/charged with an overtime callout and the notation will be moved to that employee’s name.

(8) If there is not a sufficient number of employees responding to the “B list” callout, then all employees who were called on the “B list” will be credited/charged with a callout.

(9) If there is an insufficient number of employees responding to a callout and the Company must go through the list a second time, all employees called will be credited/charged for the callout. Employees who respond on the second call will have their "charge" changed to a "credit."

(10) At no time will an employee be credited/charged more than one callout for any one callout event (e.g., a trouble call for a major gas event.)

Appropriate overtime records involved will be made reasonably available to the Brotherhood upon a complaint under this Section. The order of call-out for either method will be posted biweekly on appropriate Company bulletin boards, provided, however, that under the equal opportunity method, the order will be updated as necessary to reflect the movement of the asterisk or other notation according to the provisions of subsection (c) above.

Section 3. An employee who reports on time for work the Company has scheduled for him, and who is not provided with work at such place or elsewhere through no fault of his own, will be paid for the day.

Section 4. Time necessarily spent in traveling to and from a regular place of assembly to the place of work will be considered time worked.

Section 5. Employees, when permitted, may relieve one another from time to time if they so desire, provided the privilege results in no increased payroll costs to the Company.

Section 6. Overtime shall not be pyramided.

Section 7. Employees who carry a beeper ("standby") shall carry that activated beeper during all hours outside the employee's normal work day. All stand-by assignments will begin at 8:00 a.m. The Company may require any employee to carry a beeper and will pay an employee who works stand-by with a Company vehicle \$35 per day if the employee is regularly scheduled for work and will pay \$45 per day for holidays and each such other day the employee is not regularly scheduled for work and is on a standby assignment. The Company will pay employees who work stand-by without a Company vehicle \$40 for each day the employee is on stand-by. If, during a standby assignment, such employee does not respond to beeper pages for two discrete incidents or does not perform the work after being paged for two discrete incidents, then the Company will dock the employee one day's standby pay.

The Company will notify employees of their standby assignment at least one (1) week prior to the beginning of that assignment, except in cases of emergency. For, all departments, standby assignments shall be for three, four or seven day periods unless by mutual agreement of the Company and the Union. The Company shall maintain a standby list, in seniority order, comprised of employees who volunteer for standby assignment. In the event there are an insufficient number of volunteers, the Company may assign standby duty in reverse seniority order. Standby assignments will be made according to the order on the standby list using the equal opportunity method. The standby list is separate from the "A list" and "B list" referred to in Section 2 above. Callouts made for standby will be credited toward total callouts on the "A list" and "B list" referred to in Section 2 above. The Company will establish a volunteer standby schedule in three (3) month increments for those departments where standby is necessary.

Employees may swap standby duty with an employee in a similar classification and notify the duty supervisor of the swap. If an employee is unavailable to work the scheduled standby assignment due to sickness, vacation, or other excused reason, it is the employee's responsibility to obtain the replacement and notify the duty supervisor. If an emergency prevents the employee from obtaining a replacement, the duty supervisor will obtain the replacement from the next employee on the standby list. Employees shall not volunteer for a standby assignment that would conflict with the employee's already scheduled vacation of a full week or more.

The Company will contact employees on standby assignment first by their pager, second by the primary telephone number designated by the employee, third by the cell phone number designated by the employee (if applicable), and fourth, by any other means agreed to by the Company and the Union.

Section 8. It is agreed that where an employee is required to work at a point other than his assigned place of assembly, he shall proceed to the location of the job, and return from such job to the place of assembly on the Company's time. If an employee is home-based, that employee shall proceed to the first job of the day on the Company's time and shall return to home each day on the employee's own time.

Section 9. An employee who has worked a total of sixteen (16) hours within a twenty-four (24) hour period immediately prior to his release shall be entitled to an eight (8) hour rest period before he returns to work. If the rest period extends into his basic workday he shall lose no pay thereby.

Except for the noon meal period, which shall be excluded, time necessarily spent for meals, including a one-half hour allowance for any Company furnished meal after release from work, shall be included for the purpose of computing the time required to be entitled to the rest period and double time under this Section.

If the employee who has worked a total of sixteen (16) hours within a twenty-four (24) hour period is required to continue working, such time worked prior to his release shall be paid at double time.

Section 10. In case of death of an employee's parents, spouse, domestic partner, children, grandchildren, brothers, sisters, grandparents, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, stepfather-in-law, stepmother-in-law, grandparents-in-law, stepson, stepdaughter, stepfather, stepmother, uncle or aunt (uncle and aunt as defined as a sibling of employee's mother or father); such employee shall be permitted to take any necessary time off and, if attending the funeral, will be paid for such time off from normal schedule at straight time for three (3) days not to exceed thirty (30) hours. This provision shall also apply to cases of death of any other relative residing within the same household as the employee.

In case of death of an employee, a fellow employee in the same locality, division or district office or production plant may be permitted to take necessary time off without pay to attend the funeral if the needs of the service permit.

Section 11. An employee who has had previous notice of holiday or rest day work which is canceled after midnight of the preceding day will be paid for a minimum of two hours at the applicable rate of pay for a call-out and if he has not been notified of such cancellation prior to reporting for work will be allowed the option of receiving the foregoing minimum allowance or provided with the work for the previously estimated period of time. An employee who is notified of cancellation prior to midnight preceding such day is not entitled to any allowance or work. An employee who does not have a listed telephone number is only entitled to such allowance as he would have been granted had he had a telephone and was reached within the time limitation as set forth for employees having telephones.

ARTICLE XIX

SAFETY

Section 1. The Company will continue to make reasonable regulations and provisions for the safety and health of its employees during their hours of employment and the Company and the Brotherhood agree to cooperate in seeing that such regulations and provisions are complied with. A Company Safety Committee will meet with a Safety Committee of not more than three employees appointed by Local Union 50, for the purpose of considering suggestions presented by Local Union 50 with respect to matters pertaining to the safety of employees. Such meetings will be mutually arranged as to time and place.

Section 2. When the Company holds an investigative or a formal hearing concerning an accident in which an employee was injured, the Local Union shall be notified and have the right to have an employee representative, or the Business Manager of Local Union 50, at the hearing, who shall be permitted to ask of witnesses relevant and material questions pertaining to the facts of the accident. Should the investigation lead to a formal hearing, a copy of the record of such hearing will be supplied to the Local Union 50 office.

Section 3. Each employee will be required to equip himself initially with such personal tools and equipment, in good condition and of acceptable quality, as are normally and reasonably required by the Company for the classification in which he is working. The Company will replace, without cost to the employee, such personal tools and equipment, when such replacements are necessary due to wear and tear on the job, with tools and equipment of equal quality.

The Company will furnish required tools and equipment other than personal tools and equipment and the employee will be held responsible for their return in good condition, reasonable wear, tear, and loss excepted.

Suitable rain protective equipment will be furnished by the Company to employees when they are required to work out-of-doors in inclement weather.

Section 4. It is agreed that insofar as it is compatible with the needs of the public service, employees whose duties expose them continuously throughout their normal workday to the elements shall not be required to work outdoors in rainy or inclement weather except in emergencies. The above provisions shall not apply to Meter Reader-Collector or other employees occupying similar positions, unless extreme weather conditions prevail.

Section 5. When rainy or inclement weather prevents employees covered by this Agreement from working outdoors, the Company will provide suitable work indoors for the employees affected at their regular rates of pay.

ARTICLE XX

BENEFITS

Section 1. (a) Effective January 1, 2003, the employees' qualified and welfare plans covered by this Agreement shall be the same as the qualified and welfare plans of employees and may be changed from time-to-time to remain the same as the plans of other employees. Effective January 1, 2007, the employees' health and welfare plans covered by this Agreement shall be as set forth in Appendix A to this Article XX.

Employees hired after July 1, 1983, who retire with less than ten years of continuous service prior to their retirement shall not be granted coverage in the group hospitalization plan at retirement, nor shall the spouses or dependents of such employees be granted such coverage. Employees hired after July 1, **2010**, shall not be granted coverage in the welfare plan at retirement, nor shall the spouses or dependents of such employees be granted such coverage.

(b) The obligation to maintain a plan mentioned in this Section terminates if at anytime the Company contributions to such plan are deemed not deductible expenses for income tax or rate-making purposes by any governmental authority.

Section 2. Educational privileges shall be the same as those of other employees.

Section 3. The Company agrees to meet annually for the purpose of informing the Union with respect to the Pension and Benefit plans and to furnish such information, relative thereto, which may be reasonably available.

Section 4. The Company will make no changes during the term of this agreement to the benefits described in this Article XIV, XV, XVI, or XX without the mutual agreement of authorized representatives of Local Union 50 and the Company. This Section 4 does not affect changes to premiums and contribution rates.

ARTICLE XXI

TERM OF AGREEMENT

Section 1. This Agreement when signed by the proper officials of the Company and the Brotherhood and approved by the International President of the Brotherhood shall become effective as of May 16, 2006.

Section 2. This Agreement shall remain in full force and effect until and including May 16, 2010 and thereafter shall be automatically renewed from term to term of one year each unless a written notice of desire to amend or terminate it is given by either party to the other at least sixty (60) days prior to May 16, 2010 or at least sixty (60) days prior to May 16 of any year thereafter. In the event such written notice expresses a desire to amend the current Agreement, such desired amendments shall be set forth in writing and accompany the notice of desire to amend.

Section 3. The parties agree to commence negotiations on any proposed amendments not less than thirty (30) days prior to the end of the then current term, and further agree that if said negotiations are not completed by the expiration date of the then current Agreement then the term of that current Agreement shall automatically be extended so long as negotiations are in progress.

Section 4. Changes or amendments in any current Agreement can be made at any time by mutual consent. Such changes or amendments shall be reduced to writing, state the effective date, be executed in the same manner as is this Agreement and be subject to the approval of the International President of the Brotherhood.

IN WITNESS WHEREOF the Company and the Brotherhood have each caused this Agreement to be executed in its behalf by its proper officers hereunto authorized on this 29th day of June, 2006.

VIRGINIA NATURAL GAS, INC

By: _____
Hank Linginfelter
President

and LOCAL UNION 50 of the INTERNATIONAL
BROTHERHOOD OF ELECTRICAL WORKERS:

By: _____
Jack Wells
President and Business Manager

ARTICLE XXII
LETTERS OF AGREEMENT

HOME BASING

Home basing questions from Local 50 with responses from Company:

1. We want to be paid to and from job.
 - Article 18, section 8 reads; “If an employee is home-based, that employee shall proceed to the first job of the day on the Company’s time and shall return to home each day on the employee’s own time.”
2. Employees would like to pick up their children on way home from work and when they are ill and need to be picked up from school.
 - The Safety Manual 2.2.8 states that occupants of vehicles are restricted to company employees, guests of the company or persons pertinent to company business.
3. Employees would like to stop at stores on the way home from work.
 - Incidental stops while the employee is in route from work is permissible, however, these stops must be in reasonably close proximity to the employees’ commuting route, and all Company policies will still be in effect.
4. Employees need to be able to leave and go to an emergency out of the area.
 - To the extent possible a supervisor must be notified prior to an employee leaving a work site. This is our existing practice and would remain the same for both home based and office based employees.
5. Message system from Union to communicate with employees on weekly basis.
 - We agree to allow messaging through the MDT system. However, there must be prior approval by the Region Manager or HR.
6. Employees be able to attend union meetings in their truck.
 - The use of Company vehicles to attend Union meetings is not permitted and would be in conflict with current Company policy.
7. How are employees viewing job postings in bargaining unit?
 - In addition to the current posting procedures, we will utilize MDT’s to inform home based employees of job postings.
8. Insurance on vehicles.
 - a. Someone hits vehicle in front of house.
 - b. Child climbs on truck in yard and gets hurt.
 - c. Truck vandalized on employee property.
 - d. Another car hit truck in employee’s driveway.
 - e. If tree falls from neighbor’s yard.
 - Vehicles must be legally parked and secured properly. Any damage or theft must be reported to the appropriate management personnel upon discovery.
9. Employee needs to attend doctor appointment.
 - a. We recognize that there will be many different scenarios and each request will be looked at on a case by case basis. Employees should discuss with their supervisor.
10. On vacation, truck remains at home.
 - a. Each decision will be based upon the needs of the Company, and at the discretion of supervision.
11. If radio, phones, computers go down what happens?
 - a. Employees are to report to the office.

12. Snow storm and employees can't leave or get out employee still gets paid.
 - a. Employees are expected to report to work each day unless otherwise instructed.
13. Employees are able to move items during a household move.
 - a. The use of Company vehicles to move household items is not permitted.
14. Emergency and cant get a hold of supervisor employee needs to leave right away.
 - a. To the extent possible a supervisor must be notified prior to an employee leaving a work site. This is our existing practice and would remain the same for both home based and office based employees.
15. Tools and computer stolen out of truck employees not responsible.
 - a. Vehicles must be secured properly. Any damage or theft must be reported to the appropriate management personnel upon discovery.
16. Go to start of day truck breaks down in yard employee gets paid for day, no extra vehicles?
 - a. Employee must contact supervisor immediately.
17. City codes are being violated, what do we do?
 - a. If there is a city code that is being violated, employees are to notify their supervisor.
18. Ice and water put on P-Cards.
 - a. Currently, home based employees are allowed to purchase ice on a Company P-card for business purposes. All purchases on Company-issued P-Cards must be approved prior to purchase by supervision and all receipts must be given to immediate supervisor.

APPENDIX A
To Article XX

The Company and Local 50 will have the respective responsibilities described in this Article during the term of the Agreement. Local 50 has responsibility for identifying the life, health, vision, dental and long term disability insurance coverage that will be offered to all employees covered by the Company's collective bargaining agreement with Local 50 for the term of the collective bargaining agreement. If the Company determines that the coverages identified by Local 50 are acceptable, the Company will sponsor the plans. - The Company will pay a portion of the premiums on behalf of each covered employee as described below. Local 50, and not the Company, will be responsible for any plan administration not performed by the provider (including but not limited to claims handling, appeals, preparation of summary plan descriptions and eligibility determinations). Local 50 agrees that it will be solely responsible for performance of all plan administrator duties not performed by the plan provider, and further agrees to indemnify the Company against any and all claims that may arise related to the responsibilities allocated to Local 50 under this Article. To the extent administrative duties are performed by Local 50, all plan documentation will identify Local 50 as a plan administrator and named fiduciary.

The Company will contribute the same gross amount on behalf of each employee for vision, dental, life and long term disability insurance coverage that it currently contributes on behalf of each non-union employee. This contribution amount may change from year to year.

During the first year of the contract, which shall commence on January 1, 2007, the Company will pay 76% of the total premium cost for employees who enroll in one of the three Optima options, reflecting the benefit designs that were set forth in the presentation that Friedman Associates made on May 15, 2006 to the Company's negotiating committee. The employee portion of the premium cost will be paid through employee payroll deductions.

In subsequent years, the Company will increase or decrease the amount contributed on behalf of each employee covered by the Optima plan based on the percentage that the Optima total premium cost changes. This percentage increase or decrease will be capped at 5 percentage points above the percentage change for the Company's non-union employee's health insurance.

The following chart explains how the 5% cap will work:

% change in Total Premium Cost		% change in Company contrib.
<u>Non-union -ees</u>	<u>Optima</u>	<u>for -ees covered by Optima</u>
25%	20%	20%
16%	20%	20%
12%	20%	17% (12% non-union + 5% cap)
(-5%)	0%	0%

The remaining premium amounts during the term of this collective bargaining agreement will be paid through employee payroll deductions for those employees who elect coverage under the Optima plan.

The Company also will facilitate open enrollment by providing the applicable insurance companies with the name and address of each employee and by providing conference rooms for enrollment meetings.

Except as expressed described above, the Company will have no responsibility for the employees' life, health, vision, dental and long term disability insurance coverage during the term of this agreement.

SCHEDULE "A"

RATES OF PAY (PER HOUR)

EFFECTIVE May 16, 2006

In the following schedules showing time progression steps, the time in each step refers to length of time an employee normally works in the step. In calculating time worked short periods of sickness of not more than one workweek, absences due to injury received in an industrial accident while working for the Company, and vacation periods shall not be deducted.

The Company will grant a 3% increase to the position rate of all active employees covered by this agreement, retroactive to May 16, 2006, and a 3% increase to the position rate on May 16, 2007, May 16, 2008, and May 16, 2009.

Schedule "A" Rates of Pay	Effective May 16, 2006	Effective May 16, 2007	Effective May 16, 2008	Effective May 16, 2009
PRODUCTION DEPARTMENT				
JOB CLASSIFICATION				
Plant Mechanic				
first 3 months	21.13	21.76	22.41	23.08
next 9 months	21.52	22.16	22.83	23.51
next 12 months	22.54	23.21	23.91	24.63
thereafter	27.03	27.84	28.67	29.53
Plant Operator				
first 3 months	17.64	18.17	18.72	19.28
next 9 months	18.45	19.00	19.57	20.16
next 12 months	19.14	19.71	20.30	20.91
thereafter	22.79	23.48	24.18	24.91
Helper				
first 3 months	13.86	14.28	14.71	15.15
next 9 months	14.50	14.94	15.39	15.85
next 12 months	15.34	15.80	16.27	16.76
thereafter	17.45	17.97	18.51	19.07

Schedule "A" Rates of Pay	Effective May 16, 2006	Effective May 16, 2007	Effective May 16, 2008	Effective May 16, 2009
CONSTRUCTION AND OPERATION DEPARTMENTS				
JOB CLASSIFICATION				
Service Mechanic				
first 3 months	21.13	21.76	22.41	23.08
next 9 months	21.52	22.16	22.83	23.51
next 12 months	22.54	23.21	23.91	24.63
thereafter	27.03	27.84	28.67	29.53
Operations Mechanic				
first 3 months	17.95	18.49	19.05	19.62
next 9 months	19.35	19.93	20.53	21.15
next 12 months	20.67	21.29	21.93	22.59
thereafter	25.24	25.99	26.77	27.57
Construction Mechanic				
first 3 months	16.75	17.25	17.77	18.30
next 9 months	17.25	17.77	18.30	18.85
next 12 months	17.73	18.26	18.81	19.37
thereafter	22.16	22.82	23.50	24.21
Const Machine Operator				
first 3 months	15.40	15.86	16.34	16.83
next 9 months	15.91	16.39	16.88	17.39
next 12 months	16.28	16.77	17.28	17.79
thereafter	20.10	20.70	21.32	21.96
Meter Repairman 1st Class				
first 3 months	21.13	21.76	22.41	23.08
next 9 months	21.52	22.16	22.83	23.51
next 12 months	22.54	23.21	23.91	24.63
thereafter	27.03	27.84	28.67	29.53
Meter Repairman 2nd Class				
first 3 months	17.27	17.79	18.33	18.87
next 9 months	17.64	18.17	18.72	19.28
next 12 months	18.45	19.00	19.57	20.16
thereafter	21.82	22.47	23.14	23.84
Utility Man				
first 3 months	17.38	17.90	18.43	18.99
next 9 months	17.80	18.33	18.88	19.45
next 12 months	18.86	19.43	20.01	20.61
thereafter	22.01	22.67	23.35	24.05

Schedule "A" Rates of Pay	Effective May 16, 2006	Effective May 16, 2007	Effective May 16, 2008	Effective May 16, 2009
CONSTRUCTION AND OPERATION DEPARTMENTS				
JOB CLASSIFICATION				
Systems Mechanic				
first 4 months	22.30	22.97	23.66	24.37
next 4 months	22.72	23.40	24.11	24.83
next 4 months	23.23	23.92	24.64	25.38
thereafter	24.39	25.12	25.88	26.65
Utility Mechanic Trainee				
start as trainee	13.86	14.28	14.71	15.15
after 4 months	14.89	15.34	15.80	16.27
after 8 months	15.98	16.45	16.95	17.46
Utility Mechanic				
after 12 months	16.49	16.99	17.49	18.02
after 18 months	17.08	17.59	18.12	18.66
after 24 months	18.10	18.64	19.20	19.78
after 30 months	19.11	19.68	20.27	20.88
after 36 months	20.42	21.04	21.67	22.32
after 42 months	21.41	22.06	22.72	23.40
after 48 months	22.16	22.82	23.50	24.21
Meter Reader-Collector				
first 3 months	16.18	16.67	17.17	17.68
next 3 months	17.49	18.01	18.55	19.11
next 6 months	17.80	18.33	18.88	19.45
thereafter	20.61	21.23	21.87	22.52
Meter Servicer				
first 3 months	17.27	17.79	18.33	18.87
next 3 months	17.64	18.17	18.72	19.28
next 6 months	18.75	19.31	19.89	20.48
thereafter	22.30	22.97	23.66	24.37
Welder				
first 3 months	18.93	19.50	20.08	20.69
next 3 months	20.35	20.96	21.59	22.24
next 6 months	21.65	22.30	22.97	23.66
thereafter	25.20	25.96	26.74	27.54

Schedule "A" Rates of Pay	Effective May 16, 2006	Effective May 16, 2007	Effective May 16, 2008	Effective May 16, 2009
CONSTRUCTION AND OPERATION DEPARTMENTS				
JOB CLASSIFICATION				
Helper				
first 3 months	13.86	14.28	14.71	15.15
next 3 months	14.50	14.94	15.39	15.85
next 6 months	15.34	15.80	16.27	16.76
thereafter	17.45	17.97	18.51	19.07
Materials Truck Driver				
first 3 months	13.99	14.41	14.84	15.28
next 3 months	14.58	15.02	15.47	15.94
next 6 months	15.42	15.88	16.36	16.85
thereafter	17.56	18.09	18.63	19.19
Pipe Layer				
first 3 months	13.99	14.41	14.84	15.28
next 3 months	14.58	15.02	15.47	15.94
next 6 months	15.42	15.88	16.36	16.85
thereafter	17.56	18.09	18.63	19.19
Utility Worker				
first 3 months	12.01	12.37	12.74	13.12
next 3 months	12.31	12.68	13.06	13.45
next 3 months	12.55	12.92	13.31	13.71
next 3 months	12.83	13.22	13.62	14.02
next 3 months	13.25	13.64	14.05	14.47
next 3 months	13.71	14.12	14.54	14.98
next 3 months	14.12	14.54	14.98	15.43
thereafter	16.24	16.73	17.23	17.75

Schedule "A" Rates of Pay	Effective May 16, 2006	Effective May 16, 2007	Effective May 16, 2008	Effective May 16, 2009
STORES DEPARTMENT				
JOB CLASSIFICATION				
Storekeeper				
first 3 months	17.57	18.10	18.64	19.20
next 9 months	17.80	18.33	18.88	19.45
next 12 months	18.73	19.29	19.87	20.46
thereafter	22.90	23.58	24.29	25.02
Stock Helper				
first 3 months	13.86	14.28	14.71	15.15
next 9 months	14.50	14.94	15.39	15.85
next 12 months	15.34	15.80	16.27	16.76
thereafter	17.45	17.97	18.51	19.07

Virginia Natural Gas, Inc.
Notice to I.B.E.W. of Decision Applicable to Grievance in Step B
of Article VI, Section 1, Grievances and Arbitration

TO _____ DATE OF THIS NOTICE _____

DATE THIS NOTICE MAILED _____

1. DATE OF GRIEVANCE _____ PLACE _____ GRIEVANCE NO. _____
2. NAME (S) OF GRIEVANT (S) _____
3. DATE I.B.E.W. NOTICE OF APPEAL TO STEP B RECEIVED BY COMPANY _____
4. DATE ON WHICH GRIEVANCE WAS DISCUSSED IN STEP B _____
5. PERSON WHO HEARD GRIEVANCE IN STEP B _____
6. COMPANY'S DECISION IN STEP B - THE GRIEVANCE IS _____

7. STATEMENT OF REASONS AND FACTS IN SUPPORT OF DECISION. (IF SUSTAINED SHOW REMEDY OF COMPANY)

8.

8. ARTICLES CONSIDERED AS SUPPORTING DECISION IN 6 ABOVE. ART. _____ SECT.

ART. _____ SECT. _____; ART. _____ SECT. _____; ART. _____ SECT. _____;

DATE THIS NOTICE RECEIVED

SIGNED BY

BY BROTHERHOOD _____ TITLE _____

LOCATION _____

DISTRIBUTION:

- ORIGINAL TO PERSON REFERRING TO STEP B
- COPY TO SYSTEM COUNCIL OFFICE
- COPY TO HUMAN RESOURCES DEPT.
- COPY TO DIVISION

Attach supplemental sheet if needed.
Refer to item number.

Virginia Natural Gas, Inc.
Notice to I.B.E.W. of Decision Applicable to Grievance in Step C
of Article VI, Section 1, Grievances and Arbitration

TO _____ DATE OF THIS NOTICE _____

DATE THIS NOTICE MAILED _____

1. DATE OF GRIEVANCE _____ PLACE _____ GRIEVANCE NO. _____
2. NAME(S) OF GRIEVANT(S) _____
3. DATE I.B.E.W. NOTICE OF APPEAL TO STEP C RECEIVED BY COMPANY _____
4. DATE ON WHICH GRIEVANCE WAS DISCUSSED IN STEP C _____
5. PERSON WHO HEARD GRIEVANCE IN STEP C _____
6. COMPANY'S DECISION IN STEP C - THE GRIEVANCE IS _____
7. STATEMENT OF REASONS AND FACTS IN SUPPORT OF DECISION. (IF SUSTAINED SHOW REMEDY OF COMPANY)

8. ARTICLES CONSIDERED AS SUPPORTING DECISION IN 6 ABOVE. ART. _____ SECT. _____:
ART. _____ SECT. _____: ART. _____ SECT. _____: ART. _____ SECT. _____:

DATE THIS NOTICE RECEIVED _____ SIGNED BY _____
BY BROTHERHOOD _____ TITLE _____
LOCATION _____

- DISTRIBUTION:
- ORIGINAL TO PERSON REFERRING TO STEP C
 - COPY TO SYSTEM COUNCIL OFFICE
 - COPY TO HUMAN RESOURCES DEPT.
 - COPY TO DIVISION MANAGER

Attach supplemental sheet if needed.
Refer to item number.

SUBJECT INDEX

<i>Subject</i>	<i>Page(s)</i>
Accident.....	18, 35, 42
Amendments.....	37
Application for Position	
Entrance Job.....	20
Outside of Bargaining Unit.....	20
Vacancy Above Entrance Job.....	16
Arbitration.....	6, 7, 8
Benefits - Educational, Hospitalization, Life Insurance, Pension.....	4, 36, 41
Brotherhood Business.....	4
Bulletin Board.....	3
Call-outs.....	31
Commercial Driver's License.....	23
Contracting Work.....	10
Court Attendance.....	22
Death in Family.....	34
Demotion.....	14
Disqualification/Disability.....	18, 19
Misapplication of Seniority.....	20
Reduction in Forces.....	16, 17, 18
Supervisor Returning To Unit.....	21
Departments Defined.....	13
Development Program.....	18
Discharge.....	5, 7, 8, 9, 14
Discipline.....	2, 5, 6, 9
Discrimination.....	1, 2, 20
Disqualification.....	18, 19
Double-time.....	31, 34
Dues.....	2
Employees - Definition.....	1
Entrance Job.....	13, 16, 17, 18, 19, 20, 29
Expenses	
Grievances and Arbitration.....	7, 8
Lodging, Meals and Transportation.....	23
Medical Examination.....	11
Moving.....	20
Recall from Vacation.....	26
Telephone.....	23
Grievance.....	2, 5, 6, 7, 8, 9, 16, 20
Holidays.....	6, 22, 23, 28, 29, 31
Inclement Weather.....	35
Injury.....	18, 24, 42
Jury Duty.....	22
Lay-off.....	14, 16
Leaves of Absence.....	4, 12, 26
Letters of Agreement.....	6, 38
Line of Promotion.....	13, 14, 15, 17, 29
Management Rights.....	9
Military Service.....	12, 26, 28
National Labor Relations Board.....	1
Non-Discrimination.....	1
Original Force Requirements.....	19
Overtime Apportionment.....	31
Payroll Deduction For Dues.....	2
Place of Assembly.....	13, 23, 33, 34

Posting Procedure	
Seniority List	14
Vacancies	16
Probationary Period	1
Promotion	
Definition	14
Rights - General Provisions.....	18
Veterans Rights	12
Wages - General Provisions	29
Protective Equipment.....	35
Rates of Pay	29, 30, 35
Schedule "A"	42-47
Recall	19
Recognition and Representation	1
Reduction in Forces	16, 17, 21, 29, 30
Residence.....	9
Rest Period After 16 Hours.....	34
Safety.....	30, 35
Seniority	4, 8, 12, 13-21, 31, 33
Service - Definition of	13
Shift Differential.....	29, 30
Sick Leave	24, 28
Strikes and Lockouts.....	5
Supervisor.....	1, 2, 6, 9, 21, 24, 25, 31
Temporary Assignment	
General Provisions	14, 15, 17
Method of Pay	29, 30
Temporary Employees	1, 24
Term of Agreement.....	37
Tools.....	35
Training Employees.....	15
Transfer	
Definition	14
General Provisions	12, 15, 16, 17
Traveling Time	33
Union Security.....	2
Vacation.....	24, 25-27, 33, 42
Work Outside the Bargaining Unit	29
Work Schedules.....	31-34
Workmen's Compensation Benefits	27