



**INTERNATIONAL  
BROTHERHOOD  
OF ELECTRICAL  
WORKERS  
LOCAL UNION 602**

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August 30, 2016

Rex Kirk, Workforce Relations  
Xcel Energy, Southwestern Public Service  
P.O. Box 1261  
Amarillo, Texas 79170

Re: IBEW Local 602/Xcel Energy – 2016 SPS Negotiations: List of Initial Union Proposals

Dear Mr. Kirk:

Listed below is a summary list of items that the Union proposes to modify wages, benefits and certain working conditions. During our face-to-face negotiations commencing on September 28<sup>th</sup>, 2016 in Amarillo, we will deliver our detailed proposals to the Company. Our summary list is as follows:

**1. Article I, Section 1.B – Effective Date and Term of the Agreement**

a. The effective date shall be November 1, 2016 and shall remain in effect until October 31, 2021. (Five-year term)

**2. Article VIII, Section 1 – Classifications and Minimum Rates of Pay**

a. Effective November 1, 2016, apply the 2016 median value from an updated wage benchmarking study to the following job titles to remove market wage inequities:

**Job Classification**

- 1) Lineman Journeyman
- 2) Control Room Operator (B)
- 3) Electrician Journeyman [Power Plant]
- 4) Instrument Journeyman
- 5) Machinist Journeyman
- 6) Maintenance Mechanic Journeyman
- 7) Meterman Journeyman
- 8) Electrician Journeyman [Substation]
- 9) Welder Journeyman
- 10) Heavy Equipment Operator (Crane Certified)
- 11) Protection Relay Technician "A" w/Degree
- 12) Plant Technician A (not on CBA; in LOU only)
- 13) Production Technician (A) – Plant Controls
- 14) Controls Technician "A"

b. Effective November 1, 2016, 1) set the wage rate for the new Serviceman position to 104% of the Lineman Journeyman wage rate, 2) set the wage rate for the Control Room Operator (A) position to 104% of the Control Room Operator (B) wage rate, and 3) set each Foreman wage rate to 108% of the wage rate for the Journeyman classification in which the Foreman performs lead duties.



c. Effective November 1, 2016 – Increase the wage rates for all other job classifications by 3.5%.

d. Future general wage increases for all employees shall be:

November 1, 2017 – Increase to all classifications of 3.5% across the board.

November 1, 2018 – Increase to all classifications of 3.5% across the board.

November 1, 2019 – Increase to all classifications of 3.5% across the board.

November 1, 2020 – Increase to all classifications of 3.5% across the board.

### **3. Article III, Section 2 – Temporary Employees**

Discuss the need and develop a timeline to implement a Temporary Worker MOU between the parties that enables the Company to utilize apprentices, groundmen, transmission technicians, construction lineman and equipment operators to assist the Construction Services Department and SPS Service Centers for lineworker support provided from the Southwestern Line Constructors. Such MOU to be modeled from the existing agreement between SPS/Xcel and IBEW 160, and could be added to the contract as new Section 3.

### **4. Article III, Section 4.E – Union Dues**

#### **Add new subsection E:**

Add a provision for workers stationed at SPS facilities located in the state of New Mexico requiring union membership as a condition of employment with the implementation of a union security provision.

### **5. Article IV, Section 1.E. and 1.E.a – Shift Workers and Shift Differential**

a. Increase the Shift Differential to \$1.00 per hour added to the hourly wage rate when working night shift hours between 7:00 pm and 7:00 am.

b. Remove Article IV, Section 1.E.b.

### **6. Article IV, Section 4.C – Payment for Callout**

#### **(d). Callout Eight Hours or less before Regular Work Period.**

When a worker performs call-out duty up to 8 hours prior to his regular normal start time, any hours worked during the call-out will be hours earned as rest period hours up to 8 hours. Earned rest period hours will be observed as consecutive hours commencing at the normal start time, with such worker being compensated straight-time pay during those hours taken as rest. In the event the employee on a rest period is required to return to duty during his regularly scheduled hours or portion thereof, all hours worked will be compensated at two (2) times regular pay with such earned rest period hours not utilized being compensable at the normal straight time rate.

### **7. Article IV, Section 4 – Overtime**

Amend reference to any unscheduled overtime payments paid to employees at time and one-half (1 1/2) to two (2) times while excluding contract provision Articles IV, Section 4.C – Payment for Callout, subsection (b) and proposed subsection (d) for two and one-half (2 1/2) times pay rates.

### **8. Article IV, Section 6.A – Meals**

Add a sentence to the first paragraph which allows employees to choose compensation in lieu of an earned overtime meal allowance or choose one (1) hour of pay at the two and one-half (2 1/2) times rate to forego a company-reimbursed overtime meal.

**9. Article IV, Section 8.F**

Add a new subsection that covers leave of absence for Union Office (union appointments and elected officers). This new language should be modeled on that used by IBEW Local 111 with Xcel Energy/Public Service Company Colorado.

**10. Article IV, Section 21 – Transfers and Letter of Agreement – Placement of Journeyman and Apprentices in Divisions (p. 62 of prior CBA)**

a. For Transmission and Construction Department employees, modify the language to permit easier ability to transfer with priority ranking.

b. Add language that seniority is recognized for job postings from systems to local area job postings that does not allow attrition or staffing concerns stated by management as a proper denial for any such job award to the senior bidder.

**11. Employee Benefits**

- A. (General) All benefits need to be negotiated, agreed upon and explicitly spelled out in the new collective bargaining agreement in summary form and by reference to the associated plan document and summary plan descriptions. Once agreed upon, there shall be no material changes made to any benefits program during the term of the new agreement.
- B. (Article IV, Section 26 – **Health Care Coverage**) The parties will maintain the current High Deductible Health Plan (HDHP) as the only medical/Rx drug plan choice for the term of the new agreement. During the term of this agreement, employees will pay 9.0% of the gross premium cost by coverage tier for the HDHP. During the term of this agreement, the employer will contribute to each enrolled employee’s Health Savings Account (HSA) \$1,000 for single coverage and \$2,000 for all other coverage tiers. During the term of this agreement, there shall be no changes to deductibles, coinsurance, out-of-pocket maximums or copays.
- C. The contract may be reopened to exclusively discuss medical/Rx drug, dental and vision coverage alternatives for negotiation purposes with the appropriate 60-day notification requirement prior to July 1, 2017 and July 1, 2019, respectively.
- D. (Article IV, Section 26 – **Dental Coverage**) The parties will maintain the current Dental Plan through Delta Dental as the only dental plan choice for the term of the new agreement. During the term of this agreement, employees will pay 25.0% of the gross premium cost by coverage tier. During the term of this agreement, there shall be no changes to deductibles, coinsurance, out-of-pocket maximums or copays.
- E. (Article IV, Section 26 – **Vision Coverage**) The parties will maintain the current Vision Plan through VSP as the only vision plan choice for the term of the new agreement. During the term of this agreement, employees will pay 25.0% of the gross premium cost by coverage tier. During the term of this agreement, there shall be no changes to deductibles, coinsurance, out-of-pocket maximums or copays.
- F. (Article IV, Section 26 – **Long-Term Disability Coverage**) During the term of this agreement, there shall be no material changes made to any benefits or employee costs.
- G. (**Company-Paid Basic Life Insurance Coverage**) All Basic Life Insurance benefits need to be negotiated, agreed upon and explicitly spelled out in the new collective bargaining agreement in summary form and by reference to the associated plan document and summary plan descriptions. The coverage multiplier shall be increased to one times annual base pay. During the term of this agreement, there shall be no material changes made to any benefits or employee costs.

- H. **(Cash Balance Pension Plan)** All Cash Balance Pension Plan benefits need to be negotiated, agreed upon and explicitly spelled out in the new collective bargaining agreement in summary form and by reference to the associated plan document and summary plan descriptions. The annual Pay Credits shall be 5.0% of gross pay (including overtime). During the term of this agreement, there shall be no material changes made to any benefits or employee costs.
- I. **(Employee Investment Plan [401(k)])** All 401(k) Plan benefits need to be negotiated, agreed upon and explicitly spelled out in the new collective bargaining agreement in summary form and by reference to the associated plan document and summary plan descriptions. All contributions (both employee and employer matching) shall be based on gross pay (including overtime). During the term of this agreement, there shall be no material changes made to any benefits or employee costs.
- J. **(Defined Benefit Retirement Plan)** All Defined Benefit Retirement Plan benefits need to be negotiated, agreed upon and explicitly spelled out in the new collective bargaining agreement in summary form and by reference to the associated plan document and summary plan descriptions. Beginning January 1, 2020, retirement benefits for new retirees shall be determined using gross pay (including overtime) in the Final Average Monthly Compensation calculation. During the term of this agreement, there shall be no material changes made to any benefits or employee costs.

**12. Power Plant Specific Proposals (7 proposals)**

**Letter of Understanding SP-2013-0050**

- A. Items 2 and 4, Floating Holiday, and all Holidays, Sick Leave, and Vacation days shall be reported at 12 hours rather than 8 hours (Power Plant Operations).
- B. Item 2, revise MOU to allow workers to utilize up to 60 hours of vacation or 60 hours of undocumented sick leave.
- C. Add to the Letter of Understanding to allow vacation carryover for workers on 12-hour shifts to carry over 60 hours of unused vacation from the current 40 hours.
- D. Remove the 30-day notification to cancel agreement for 12-hour shifts to 8-hour shifts.
- E. Consider implementing the full LOU SP-2013-0050 into the respective Article VI Power Plant language provisions.

**Article VI, Section 9 – Seniority and Article VIII, Section 1 - Classifications**

- F. Eliminate the Plant Controls Foreman and replace with an Electrician Foreman and an Instrumentation Foreman at gas-fired power plants. Foremen will be selected from qualified candidates from each respective craft.

**Instrumentation and Control Training Program**

- G. Design and implement a registered I&C apprenticeship during the term of the agreement with DOL indenture requirements at all power generation facilities while grandfathering those employees who choose not to indenture into the new apprenticeship.

**13. Article X – Uniforms Transportation Department (4 proposals)**

- A. Section 1, Add Subsection B: Fleet worker schedules shall follow Article VI, Section 1.A of this agreement. Monday – Friday shall be regular work days; Saturday, and Sunday shall be overtime days. Auto Technician – Company shall implement a tool allowance amount, tool list, and dedicated training similar to the fleet training in Colorado between IBEW Local 111 and Xcel Energy, Public Service of Colorado. These items must be approved by the Steward.

**Section 2 – Mechanic Classifications:**

- B. Modify Section 2(F) Fleet Mechanic A's available certifications to 18 for qualification at the employee's ability and discretion.
- C. Modify Section 2(G) the qualification pay certification from 10 cents per hour to 36 cents per hour per certification.
- D. Create Section 2(I) for adding a foreman classification for locations that have one-man mechanic shops with the one person being upgraded to foreman pay status for additional duties.

**14. Modify Letter of Understanding – Sub-Contracting (1996)**

**LETTER OF UNDERSTANDING  
SUB-CONTRACTING**

The Company and the Union realize the changing competitive environment of the electric utility business, and each will strive to enhance the Company's future competitive position.

Reference "Verbal Understanding Discussed in 1996 Negotiations." (Rev. 1996)

**Develop contract language or amendment to Letter of Understanding for Sub-Contracting to engage** such firms or persons as it desires for special construction or major maintenance work (including tree trimming) or installation of machinery or equipment in departments covered by this Agreement. Electrical work contracts for work covered by classifications in the agreement will be awarded to contractors who comply with terms and conditions of Agreements with local electric unions. Inside electrical work is exempted from this provision except for the cities of Amarillo, Dumas, Hobbs, Roswell, Carlsbad and all Energy Centers. Work associated with pouring and finishing concrete (e.g., underground vaults, substation pads and other concrete foundations) are not considered electrical work.

The union reserves the right to modify, add, combine or delete proposals during the course of negotiations. In addition, I ask your insight and cooperation to consider reviewing all Letters of Understandings on record for proper placement into the main body of the contractual agreement. Formatting and updating the existing agreement for layout and readability is also a discussion item I would like for you to consider.

Please notify me if you have any questions prior to our first meeting on September 28, 2016



Robert Melton  
Business Manager / Financial Secretary

Cc: Bruce Anderson, Xcel Energy  
Stan Gosch  
Joe Goldhammer  
Michael Dunn  
Todd Newkirk, IBEW |