

## HEALTH AND WELFARE BENEFITS

### SECTION 26.

A. Health Care Coverage: This sub-section does not address vision and dental benefits. Those are addressed below. Effective May 1, 2017, employees will be offered the opportunity to participate in the NECA/IBEW Family Medical Plan ("FMCP"), Plan 16. Also effective May 1, 2017, the Employer shall not impose a spousal surcharge. Pursuant to, and the parties being reliant upon, communication from FMCP, the gross monthly premiums for FMCP Plan 16 for 2017 and 2018 will be:

Single:	\$652
Employee + Spouse:	\$1,238
Employee + Child(ren):	\$1,158
Family:	\$1,720

Of those gross monthly premiums, the Company will pay 82.5% and the employee will pay 17.5%, such that:

1. For Single Coverage, the Company will pay \$537.90 and the employee will pay \$114.10;
2. For Employee + Spouse, the Company will pay \$1,021.35 and the employee will pay \$216.65;
3. For Employee + Child, the Company will pay \$955.35 and the employee will pay \$202.65;
4. For Family, the Company will pay \$1,419.00 and the employee will pay \$301.00.

The Company will collect premium amounts due from employees and will tender such amounts to the FMCP. Other than its premium obligation, the Company will have no other financial obligation to the FMCP.

The parties do not expect any premium adjustment by the FMCP for 2017 or 2018. However, should the FMCP for any reason reduce the premiums for 2017 or 2018, then the 82.5%/17.5% premium split will be applied to the reduced premium. Should the FMCP for any reason raise the premiums for 2017 or 2018, the Company's contribution obligation still would not exceed the fixed dollar

amounts stated above, and therefore the Company would pay less than 82.5% of the gross monthly premium, and the employees would pay the balance.

Premiums will be subject to adjustment by the FMCP for 2019. Should premiums decrease, the Company will pay 82.5% of the revised monthly premiums in 2019. Should premiums increase, the Company will pay 82.5% of the revised monthly premium, but in no case more than 106% of the Company's portion of the monthly premium obligations for 2017 and 2018, for example, no more than 106% of \$537.90 for Single Coverage, etc. The employees will be responsible for any increase beyond those amounts.

Coverage shall be offered under the FMCP through December 31, 2019, with health care after 2019 to be a subject of successor labor agreement negotiations. In those negotiations, if the parties do not reach agreement or impasse in time to allow their agreement or terms after impasse to be implemented before the beginning of 2020, coverage under FMCP shall continue in 2020 only until the parties' new agreement or terms after impasse are implemented. After such time, unless FMCP is continued in the successor agreement, the Company would have no obligation to the FMCP. In such case, the 2020 premiums would be subject to adjustment by FMCP. Should the monthly premiums decrease, the Company would pay the same monthly premium amounts as it did in 2019, except if the decrease is such that those monthly amounts exceed 82.5% of the reduced premiums, in which case the Company would pay 82.5% of the reduced premiums. Should the monthly premiums increase, the Company would pay 82.5% of the revised premium, but in no case more than 106% of the Company's portion of the monthly premium obligations for 2019. The employees would be responsible for any increase beyond those amounts.

Except as described in the preceding paragraph, unless agreed to in future contracts, coverage under FMCP shall cease at the end of 2019 and the Company shall not be obligated to make any FMCP contribution for any coverage beyond December 31, 2019.


Health care options for employees who retire under the November 1, 2016 through October 31, 2019 term of this agreement will be the same as they were for employees who retired under the parties preceding agreement, which are subject to the Company's reserved rights.

- B. Vision: Vision benefits shall be provided under the current Xcel Energy Vision Plan administered by Vision Service Plan (VSP) under the same terms without

substantive change as were provided under the parties' preceding agreement, which was offered at a 75%/25% cost share.

- C. Dental: Employees and employees who retire under the November 1, 2016 through October 31, 2019 term of this agreement will have the ability to participate in the same dental plan as was offered to employees and retirees under the parties preceding agreement, which was offered at a 75/25% cost share.
- D. Long Term Disability Coverage: The basic coverage under the Long Term Disability Plan will be at the 60% level. An employee may purchase an additional 10% coverage (a maximum of 70%). The cost for the additional (10%) coverage will be the full cost and will be paid on a monthly basis, provided however the cost shall not exceed \$6.00 per month.
- E. Group Life Insurance Plan: Group life insurance coverage shall be provided under the current Xcel Energy Life and Voluntary Accidental Death and Dismemberment Plan for SPS bargaining unit employees through Hartford Life under the same terms without substantive change as were provided under the parties' preceding agreement.
- F. Defined Benefit Retirement Plan: The defined benefit pension benefits provided under the New Century Energies, Inc. Retirement Plan for SPS bargaining unit employees (which includes the SPS traditional formula and the 5% cash balance formula) shall be provided under the same terms without substantive change as were provided under the parties' preceding agreement.
- G. Employee Investment Plan (401(k)): The 401(k) benefits shall be provided under current Employee Investment Plan for SPS bargaining unit employees under the same terms without substantive change as were provided under the parties' preceding agreement.
- H. The Company will give the Union notice before any legally required changes are made. An individual's dispute or claim under the plans mentioned above will be resolved through the dispute resolution process in the applicable plan, not the grievance procedure in this agreement.

For the Union:

  
Robert Melton  
IBEW Local Union 602

2-23-17  
Date

For the Company: B. Anderson  
Bruce Anderson  
Southwestern Public Service

4/23/17  
Date

This tentative agreement is pending ratification by the Union and Executive approval.