



## IBEW LOCAL 1393



## USW LOCAL's 12213 & 7441

May 15, 2017

Attention: All Vectren Energy Union Members

Subject: 2017 Vectren Energy Contract Offer

Dear Sisters and Brothers:

Please find enclosed a contract offer from Vectren Energy for your consideration. As you know, these negotiations were held early in an effort to reach an agreement and limit the scope of issues. The Company and Union held four meetings and were able to address some areas our members wanted fixed.

This package is a three-year deal with wages starting on August 28, 2017, which would be an additional \$535.08 on base wages from August 28, 2017 through December 1, 2017 for Fitter and Service Specialist top rate vs. waiting until December 1, 2017 to start new wage rates.

The changes in health insurance won't go into effect until January 1, 2018 and the Union was able to control your cost on those plans by maintaining the PPO Employee cost share at 19% with a 6% inflation factor cap, which means the most you would pay for the PPO in years two and three would not be more than 6% of the prior year's premium.

The High Deductible Health Plan (HDHP) was at zero cost for employees, but will change to 3% cost share in year 1, 6% cost share in year 2, and 9% cost share in year 3, which will be the same cost share for other tiers (employee – spouse; employee – child; family), which is a reduction from the 10% cost share for 2017. While this is an increase for employee only on HDHP, the inflation factor cap of 6% would also apply to this plan. In order to help off-set this cost, Company seed money of \$500.00 for employee only will be provided each year of the agreement and \$1,000.00 Company seed money will be provided for other tiers each year of the agreement.

The Dental and Vision plans currently are no cost to employees and family will change in the last year of the Agreement with a cost share of 15% for each plan. Currently this cost is about \$25.00 per month total for both plans.

During these negotiations the Unions used an outside Actuary to review benefits, pension, and wage comparisons in order to make sure that the final package is competitive with other utilities of like size and type. After review of our benefits, it was clear that we had areas that needed to be addressed. Below are some of the areas that we were able to improve to better align with other like-sized companies.

1. Pension Plan:

- Employees hired before July 21, 2009 increased the \$64.00 monthly pension amount to \$69.00 for the first and second year and \$70.00 in the third year, which is a \$6.00 increase.
- Lowered the age for full pension retirement from age 63 to age 62 starting January 1, 2018.
- Employees hired after July 21, 2009 increased the Company's contribution to the 401(k) from 3% per year to 4% per year.

It was clear after review of the information provided by the Company that numerous employees have not been taking advantage of "free money" in the 401(k) in the last three years. As an example:

1. On the 401(k) plan with 50% match on 5% for employees hired before July 21, 2009, 68 of 185 employees are not participating in getting this "free money", which saved the Company \$122,000 in the last year alone.
2. On the 401(k) plan 50% match on 6% for employees hired after July 21, 2009, 50 of 93 employees are not participating in getting this "free money", which saved the Company \$95,000 in the last year alone.

If you are not meeting the minimum in your 401(k) plan to get the full Company match you are giving "free money" back to Vectren and you are taking a pay cut based on your entire wage/benefit package. That's like not accepting a pay increase. We strongly encourage all members to enroll in the 401(k) plan and get the full Company match.

Other areas that were addressed included:

1. ARCOS:

- Allow 5-minute call back for positive response.
- Stop "blast" calls to all phone numbers and use "vertical" calls to numbers, which means to call primary numbers first then move to the next employee; after all primary numbers are called, then call employees' secondary number.

2. Service Watch:

- Increase Service Watch pay effective August 28, 2017 to \$160.00 per week.
- Apply rest period on weekends for 16 hours in a 24-hour period starting at 7:30 a.m. Friday through 7:30 a.m. Monday, which would allow employees on Service Watch to work scheduled overtime.
- Employees on Service Watch over age 55 will not be required to meet the 25% requirement.

3. 3-Hour Call-Out:

- 3-hour call-out does not apply to employees for safety/informational meetings provided such notice of meeting is provided 48 hours in advance.

- Employee will be paid 3-hour call-out once they “accept” the ARCOS call regardless if they work.
4. Inspecting:
    - Assignment to inspecting is now only 90 days vs 90 days and/or project or work order.
  5. Job Site Limit:
    - No job site reporting assignments to work service orders; this is limited to home-based employees.

While we didn’t get some of the areas addressed like residence requirement, staffing, and Service Watch rotations, the entire package as a whole is very good with a 3-year value of Net-Wages and Benefits gains of \$4,460,000 or over \$16,000 per employee. The package is being **recommended** by the Bargaining Committee.

We would encourage you to review the enclosed summary and follow the enclosed voting instructions.

Should you have any additional questions the following meetings will be held to explain the entire package.

### For IBEW Local 1393

| DATE         | TIME      | LOCATION   |
|--------------|-----------|--|
| June 1, 2017 | 6:00 p.m. | VFW Post 3281<br>232 E Fifth St<br>New Albany, IN 47150                      |
| June 5, 2017 | 5:30 p.m. | IBEW Local 668<br>2535 S 30 <sup>th</sup> St, Suite 1<br>Lafayette, IN 47909 |
| June 6, 2017 | 6:30 p.m. | IBEW Local 1393<br>3645 S East St<br>Indianapolis, IN 46227                  |
| June 7, 2017 | 7:00 p.m. | VFW Post<br>2404 West Industrial Park Dr.<br>Bloomington, IN 47404           |

### For USW Local 12213

| DATE         | TIME      | LOCATION                |
|--------------|-----------|-------------------------|
| May 22, 2017 | 5:00 p.m. | Vectren Marion Office   |
| May 30, 2017 | 5:00 p.m. | Vectren Muncie Office   |
| June 8, 2017 | 5:00 p.m. | Vectren Anderson Office |

### For USW Local 7441

| DATE         | TIME      | LOCATION  |
|--------------|-----------|---|
| June 5, 2017 | 4:15 p.m. | Labor Temple<br>31 S 13 <sup>th</sup> St<br>Terre Haute, IN |

All ballots will say "Accept" or "Reject" and must be mailed to arrive no later than June 16, 2017 to be counted.

Please follow the instructions below on voting or your vote will not be counted. It is very important that you put your name and return address on your mailed back envelope in order to confirm you are a member in good standing.

### VOTING INSTRUCTIONS

1. Mark your ballot either "accept" or "reject".
2. Place ballot in manila envelope marked "ballot".
3. Place ballot envelope in Business Reply envelope.
4. Write your name and return address on the Business Reply envelope. If you do not supply your name and return address your ballot will not be counted. Please be advised that your Business Reply envelope and ballot envelope will be separated before the ballots are read so no one will know how you voted.
5. Place the Business Reply envelope in the mail so it reaches our post office box by Friday June 16, 2017.

Once ballots are counted on June 16, 2017 all results will be posted on the website [www.ibewlocal1393.org](http://www.ibewlocal1393.org). Should the package be voted down by the Members from IBEW and USW collectively this offer is off the table and negotiations will start over in the fall.

Fraternally,  
Robert C. Fox

Fraternally,  
Sandy Warner

Fraternally,  
Tony Coppock

Fraternally,  
Tom Wood

Business Manager  
Financial Secretary

USW

USW  
Local 12213

USW  
Local 7441

RCF/jre  
Opeiu#1

# 2017 Vectren – IBEW, Local 1393, USW Locals 12213 and 7441 Negotiations

## Tentative Agreement

Changes are noted in bold print – all items are effective 7/1/17, unless noted otherwise

### TERM OF AGREEMENT

Three years - from 7:30 a.m. **Saturday, December 1, 2017** to 7:30 a.m. **Tuesday, December 1, 2020**.

### WAGE INCREASES

**3.00%** the first year effective at 7:30 a.m. on **Monday, August 28, 2017**.

**2.50%** the second year effective at 7:30 a.m. on **Monday, December 3, 2018**.

**2.75%** the third year effective at 7:30 a.m. on **Monday, December 2, 2019**.

### **Article 16 – Work Schedules**

*Add language in Section 6 to that defines that shift schedules do not have to last for a duration of 7 days.*

*Add language in Section 11 to explain that non-home based employees cannot be Alternate Site Reported only for Meter Order Management work.*

#### **SECTION 6.**

When the character of the work and the demands of the service require the maintenance of ~~seven (7) day,~~ twenty four (24) hours working schedules at L.P. Plants, Distribution Compressor Stations and Storage Fields, the Storage Field Fitters may be assigned to such shifts by seniority, provided they are given at least sixteen (16) hours notice prior to the starting time of their respective revised shift. A premium of 80 cents will be paid for each hour worked for all shifts.

#### **SECTION 11.**

All non-home based employees pursuant to Section 10 will be required to report to his/her Headquarter Locations building by the start of his/her regular shift and pay will commence at the start of that shift. However, the Company may assign non - home based employees in the Gas, Distribution and Utility Departments, except for Material Distribution Specialists to an alternate job site or alternate Company facility provided the employee receives notice of the assignment by the end of the regularly scheduled shift two (2) days prior to the assignment. For example, if the assignment is to commence on

Wednesday morning, notice would need to be provided by the end of the employee's shift on Monday. Subject to the limitation in (e) below, should the duration of the original assignment need to be extended, the employee will receive notice by the end of the regularly scheduled shift on the prior day. **The Company may not assign an employee to an alternate job site or alternate Company facility, as outlined above, solely for the performance of Meter Order Management work.**

#### **Article 21 – Scheduled or Call Back Overtime**

*Add language in section 1 that clarifies that if an employee accepts a callout for unscheduled overtime, they will be paid a 3 hour callout.*

*Add language in section 3 that outlines that the 3 hour callout does not apply for the attendance at safety and informational meetings, as long as 48 hours' notice is given to the employee. The employee would still be paid for hours worked at the appropriate rate.*

**SECTION 1.** A minimum of three (3) hour's pay, at the applicable overtime rate, will be allowed to all union employees who **accept a call to be** are called back, or scheduled back, to work after being released from their regular day's work....

**SECTION 5.** It is understood that the Minimum Call Back pay provisions set forth in Section 1 do not apply to voluntary committee participation, training assignments, **safety/informational meetings (with forty-eight (48) hours advanced notice)**, or regularly scheduled, individually assigned, overtime work. Regularly scheduled, individually assigned overtime is minimal, routine work which is scheduled prior to any assignment being worked, and the need for which recurs at a predetermined frequency.

#### **Article 23 – Rest Period**

*Add language to outline rest period requirements on weekends.*

Any Union employee who works eight (8) hours, or more, outside his/her regularly scheduled working hours, **or sixteen (16) hours in a twenty-four (24) hour period on a weekend**, shall be allowed a rest period of eight (8) hours before returning to work. To the extent that such rest period extends into the employee's regular work day, he/she shall be paid for such portion of the rest period at his/her regular straight time rate of pay.

#### **Article 24 – Overtime**

*Change language in Section 2 to reflect the following modifications to the overtime response requirements:*

- 1. Employees will be called in a vertical manner vs. horizontal manner which eliminates "blast calls" and sends calls to employees' primary numbers first followed by secondary numbers.*
- 2. Employees will be credited with a positive response if they return a call to ARCOS within 5 minutes of the last call they receive.*

## SECTION 2.

The Company will post weekly in each Headquarter Location the overtime standing of the Union employees assigned to that area during the current calendar year. Included in such list will be the accumulated overtime hours worked by each employee. This will include both hours worked during Service Watch assignments and hours worked during all other overtime assignments, except those worked as a result of misassigned overtime. Whether manually or by a computerized system, the Company will follow a standardized procedure in attempting to contact employees for non-service watch overtime. **In the use of a computerized system, the Company agrees to utilize a vertical callout method when contacting employees for a callout.** Employees are expected to respond to 40% of callout overtime opportunities offered to them via the automated callout system in each 6 month period. **It is agreed that in the event an employee is recorded as providing a callback within five (5) minutes of the last call received for a callout, they will be credited for a positive response for the call.** For purposes of determining whether an employee has met the applicable response rate, any failure to respond to an ARCOS callout opportunity the weekend immediately before or after 5 consecutive days of vacation or holidays will not subject the employee to discipline. Additionally, if an employee has at least 3 days of vacation or holidays before or after a weekend, the employee will be considered unavailable for overtime for that weekend. This will not apply for the New Year's, Christmas or Thanksgiving holidays. If an employee is not offered at least 4 overtime opportunities during a 6 month period that 6 month period will be discounted and the employee will remain at the same discipline level, if any, going forward to the next 6 month period. The 6 month consideration period will begin on January 1, 2014. If an employee has received either a counseling session or a verbal warning for failure to meet the standard and meets the standard for 1 year after receiving the corrective action, the counseling or verbal warning will not be utilized to justify any further disciplinary action. Failure to respond to overtime assignments offered during each 6 month period as described above will subject employees to disciplinary action as provided in Article 14.

### **Article 30 – Service Watch Practice**

*Add language to allow employees over the age of 55 to trade all of their service watch to other employees.*

*Modify the third paragraph of section 6*

## SECTION 6.

It is understood that the Service Watch will be rotated among those employees who are selected. If an employee who volunteers to stand Service Watch is selected, such employee will be required to stand watch for a minimum of one (1) year. With 4 hours notice to their immediate supervisor, employees may be temporarily replaced on their Service Watch assignment for a minimum of a 1 day (24 hours) period by a qualified employee in the same Headquarters Location, as long as the employee works at least 25% of his/her total Service Watch obligation for the calendar year. **Employees who have attained the age of 55 are not required to meet 25% of their obligation.** If a bona fide personal emergency or illness prevents the employee from working his/her

Service Watch assignment, the Company will assign a replacement by asking for volunteers and if no one volunteers, assigning the least senior qualified employee to work that Service Watch assignment or the Company may elect to leave the position vacant. In no event shall this assignment require an individual to be on Service Watch more than once every five weeks, four weeks or three weeks, as applicable. Trading of Service Watch assignments with another qualified employee from the same Headquarters Location is acceptable as long as the employee's immediate supervisor is notified at least 4 hours prior to the trade taking place. Trades will be for a minimum of 24 hours and are the sole responsibility of the employee requesting the trade.

#### **Article 54 – Inspecting Assignments**

*Modify language so that inspecting assignments are for a 90 day period regardless of project or work order.*

All inspecting assignments will be made among Fitters or Gas Specialists who have obtained a 4<sup>th</sup> year Apprentice status or greater or Fitter or Gas Specialist Apprentices who have attained a journeyman classification in a prior classification using the local overtime list every ninety (90) days ~~or per project/work order whichever is less.~~

In the event a Fitter Equipment Operator or Fitter Equipment Operator Apprentice is assigned to an inspection assignment and a non – Fitter Equipment Operator is assigned to perform Fitter Equipment Operator duties in his/her absence, the upgraded hours worked on that assignment will not be counted in the Company's obligation to post a job if a temporary upgraded assignment continues for an average of 32 hours per week for 6 months.

#### **SUPPLEMENTAL AGREEMENT #2**

*Add language requiring 24 hours advance notice prior to an employee being taken off of a 24 hour shift schedule.*

The parties agree to the following for the application of the provisions of Article 16 – Work Schedules, Section 6, for Storage Field Fitters in the Gas Supply Department:

- A. The work day shall commence at 7:30 a.m. and end at 7:29 a.m. on the following day. (For example the Monday workday shall commence at 7:30 a.m. on Monday and end at 7:29 a.m. on the following Tuesday.)
- B. Whenever Storage Field Fitters who have been assigned to twenty four (24) hour a day work schedules are returned to the 7:30 a.m. to 4:00 p.m. scheduled day shift, and as a result incur "back to back" work shifts in excess of eight (8) consecutive hours, all time worked in excess of eight (8) consecutive hours shall be paid at one and one-half (1½) times the regular straight time hourly rate of pay.



- C. Once an Employee reports to work on a twenty four (24) hour a day shift, Employees will **be given twenty four (24) hours advanced notice prior to the start of their next shift and** be allowed to finish such shift before returning to regular day shift working hours of 7:30 a.m. to 4:00 p.m.

## **Pay/Benefits**

### **Service Watch Premium**

Effective 8/28/17 Increased to \$160 per week

### **Regulator Skill Premium**

Effective 8/28/17, provides a \$1.50 per hour premium paid to qualified employees who perform Regulator, odorizer and line heater skill work in the Gas, Service or Distribution departments.

### **Pension**

Pension Annual Additions – 1/1/18 - \$69 1/1/19 - \$69 1/1/20 - \$70

Early Retirement Factor –

Effective 1/1/18 the early retirement factor will be adjusted to 100% for age 62

### **401(k)**

Effective 1/1/18, for employees hired after 7/21/09 the Company will contribute a 4% Vectren Savings Contribution to Vectren Corp. Retirement Savings Plan

**Healthcare** (Year 1 begins 1/1/18, Year 2 begins 1/1/19 and Year 3 begins 1/1/20)

**HDHP Employee Contribution (Includes Employee Only)**

Year 1 – 3% Year 2 – 6% Year 3 – 9%

**Annual Cap – 6% on Informational Rate**

**Seed Money** - (Currently - \$250/\$500)

Year 1 - \$500/\$1,000 Year 2 - \$500/\$1,000 Year 3 - \$500/\$1,000

**PPO Plan Employee Contribution**

Year 1 – 19% Year 2 – 19% Year 3 – 19%

**Annual Cap – 6% on Informational Rate**

**Dental Plan Employee Contribution**

Year 1 – 0%    Year 2 – 0%                    Year 3 – **15%**

**Vision Plan Employee Contribution**

Year 1 – 0%    Year 2 – 0%                    Year 3 – **15%**

**Pre 65 Retiree Healthcare**

The Company agrees that if a current employee in the bargaining unit who is under the age of 65 retires during the term of the labor agreement dated July 1, 2017 and is otherwise qualified for retiree medical insurance (by, for example, being at least 55 years of age and having at least 10 years of Company Service) he or she will be eligible, through the earlier of the end of the term of the aforementioned labor agreement or upon reaching age sixty five (65), to elect health insurance pursuant to the terms of the plans which are currently being offered to active employees.

VEDI North Medical Plan (No Plan Design Changes)

|                               | 2018 Medical Plans |                | 2019 Medical Plans |                | 2020 Medical Plans |                |
|-------------------------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|
|                               | PPO                | HDHP           | PPO                | HDHP           | PPO                | HDHP           |
| Deductible-Individual         | \$750              | \$2,700        | \$750              | \$2,700        | \$750              | \$2,700        |
| Deductible-Family             | \$1,500            | \$5,400        | \$1,500            | \$5,400        | \$1,500            | \$5,400        |
| Out-of-pocket Maximum-Ind.    | \$2,700            | \$2,700        | \$2,700            | \$2,700        | \$2,700            | \$2,700        |
| Out-of-pocket Maximum-Fam.    | \$5,500            | \$5,400        | \$5,500            | \$5,400        | \$5,500            | \$5,400        |
| Office visit copays           | \$20 copay         | 100% after ded | \$20 copay         | 100% after ded | \$20 copay         | 100% after ded |
| Coinsurance                   | 80% after ded      | 100% after ded | 80% after ded      | 100% after ded | 80% after ded      | 100% after ded |
| Preventive Care               | 100% Coverage      | 100% Coverage  | 100% Coverage      | 100% Coverage  | 100% Coverage      | 100% Coverage  |
| Urgent Care                   | No ded             | No ded         | No ded             | No ded         | No ded             | No ded         |
| Emergency Room                | \$35 copay         | 100% after ded | \$35 copay         | 100% after ded | \$35 copay         | 100% after ded |
| Outpatient Hospital           | \$75 copay         | 100% after ded | \$75 copay         | 100% after ded | \$75 copay         | 100% after ded |
| Inpatient Hospital            | 80% after ded      | 100% after ded | 80% after ded      | 100% after ded | 80% after ded      | 100% after ded |
| Prescriptions-Retail          | 80% after ded      | 100% after ded | 80% after ded      | 100% after ded | 80% after ded      | 100% after ded |
| Prescriptions-Mail Order      | \$10/\$30/\$50     | 100% after ded | \$10/\$30/\$50     | 100% after ded | \$10/\$30/\$50     | 100% after ded |
| Lifetime Maximum              | \$20/\$60/\$100    | 100% after ded | \$20/\$60/\$100    | 100% after ded | \$20/\$60/\$100    | 100% after ded |
|                               | no maximum         | no maximum     | no maximum         | no maximum     | no maximum         | no maximum     |
| <b>Total Monthly Premiums</b> |                    |                |                    |                |                    |                |
| Employee Only                 | \$ 720.80          | \$ 551.20      | \$ 764.05          | \$ 584.27      | \$ 809.89          | \$ 619.33      |
| Employee + Spouse             | \$ 1,875.14        | \$ 1,433.12    | \$ 1,987.65        | \$ 1,519.11    | \$ 2,106.91        | \$ 1,610.25    |
| Employee + Child(ren)         | \$ 1,441.60        | \$ 1,102.40    | \$ 1,528.10        | \$ 1,168.54    | \$ 1,619.78        | \$ 1,238.66    |
| Employee + Family             | \$ 2,062.76        | \$ 1,577.28    | \$ 2,186.53        | \$ 1,671.92    | \$ 2,317.72        | \$ 1,772.23    |
| <b>Employee Monthly Rates</b> |                    |                |                    |                |                    |                |
| Employee Only                 | \$ 136.95          | \$ 16.54       | \$ 145.17          | \$ 35.06       | \$ 153.88          | \$ 55.74       |
| Employee + Spouse             | \$ 356.28          | \$ 42.99       | \$ 377.65          | \$ 91.15       | \$ 400.31          | \$ 144.92      |
| Employee + Child(ren)         | \$ 273.90          | \$ 33.07       | \$ 290.34          | \$ 70.11       | \$ 307.76          | \$ 111.48      |
| Employee + Family             | \$ 391.92          | \$ 47.32       | \$ 415.44          | \$ 100.32      | \$ 440.37          | \$ 159.50      |
| Cost Share-%                  | 19%                | 3%             | 19%                | 6%             | 19%                | 9%             |

Note: The Employee Monthly Rates are the maximum possible based on the 6% cap for the PPO plan and HDHP plan.

Seed Money=\$500 for individual and \$1000 for family

Seed Money=\$500 for individual and \$1000 for family

Employee cost sharing for year 1 (2018 calendar year) will be 19% for the PPO and 3% for the HDHP based on the total monthly premiums (which includes employer and employee costs) as determined by the plans' actuary. However, the total monthly premiums (which includes employer and employee costs) will be capped at 6% over the 2017 rates as detailed above. For years 2 and 3 (2019 and 2020 calendar years), the PPO employee monthly rates will be capped at 6% over prior year, or if lower, 19% of the total monthly premiums (which includes employer and employee costs).

For years 2 and 3 (2019 and 2020 calendar years) the HDHP employee cost sharing will be 6% (for 2019) and 9% (for 2020) based on the total monthly premiums (which includes employer and employee costs) as determined by the plans' actuary. However, the total monthly premiums (which includes employer and employee costs) will be capped at 6% over the 2018 and 2019 rates.

VEDI North Dental Plan (No Plan Design Changes)

| DENTAL  | 2018 Dental                | 2019 Dental                | 2020 Dental                |
|---|----------------------------|----------------------------|----------------------------|
|   | Delta Dental               | Delta Dental               | Delta Dental               |
| Deductible-Individual   | \$50                       | \$50                       | \$50                       |
| Deductible-Family   | \$150                      | \$150                      | \$150                      |
| Annual Plan Maximum-Individual  | \$1,500                    | \$1,500                    | \$1,500                    |
| Lifetime Orthodontia Maximum-Dependent  | \$1,500                    | \$1,500                    | \$1,500                    |
| Diagnostic and preventive (oral exams, cleanings, X-rays)   | 100%                       | 100%                       | 100%                       |
| Basic (fillings and root canal therapy)   | 80% after ded <sup>1</sup> | 80% after ded <sup>1</sup> | 80% after ded <sup>1</sup> |
| Major (crowns and dentures)   | 50% after ded <sup>1</sup> | 50% after ded <sup>1</sup> | 50% after ded <sup>1</sup> |
| Orthodontia   | 50% after ded <sup>1</sup> | 50% after ded <sup>1</sup> | 50% after ded <sup>1</sup> |
| <sup>1</sup> The dental plan pays this percentage of the cost of care that is considered reasonable and customary (R&C) after you satisfy the annual deductible |                            |                            |                            |
| <b>Total Monthly Premiums</b>   |                            |                            |                            |
| Employee Only   | \$ 31.19                   | \$ 32.12                   | \$ 33.09                   |
| Employee + Spouse   | \$ 59.02                   | \$ 60.79                   | \$ 62.61                   |
| Employee + Child(ren)   | \$ 81.55                   | \$ 83.99                   | \$ 86.51                   |
| Employee + Family   | \$ 119.80                  | \$ 123.39                  | \$ 127.10                  |
| <b>Employee Monthly Rates</b>   |                            |                            |                            |
| Employee Only   | \$ -                       | \$ -                       | \$ 4.96                    |
| Employee + Spouse   | \$ -                       | \$ -                       | \$ 9.39                    |
| Employee + Child(ren)   | \$ -                       | \$ -                       | \$ 12.98                   |
| Employee + Family   | \$ -                       | \$ -                       | \$ 19.06                   |
| <b>Cost Share %</b>   | <b>0%</b>                  | <b>0%</b>                  | <b>15%</b>                 |

Employee cost sharing will be the lower of the employee monthly rate listed above or 15% of the total monthly premium (which includes employer and employee costs).

VEDI North Vision Plan (No Plan Design Changes)

| VISION                        | 2018 Vision  |       | 2019 Vision  |       | 2020 Vision  |       |
|-------------------------------|--|-------|--|-------|--|-------|
|                               | VSP  |       | VSP  |       | VSP  |       |
| Well/Vision Exam              | \$0 copay  |       | \$0 copay  |       | \$0 copay  |       |
| Prescription Glasses          | \$25 copay   |       | \$25 copay   |       | \$25 copay   |       |
| Frames                        | Included In Prescription Glasses (\$150 allowance) |       | Included In Prescription Glasses (\$150 allowance) |       | Included In Prescription Glasses (\$150 allowance) |       |
| Lenses                        | Included in Prescription Glasses                   |       | Included in Prescription Glasses                   |       | Included in Prescription Glasses                   |       |
| Lens Options/Other Benefits   | Refer to Summary Plan Description                  |       | Refer to Summary Plan Description                  |       | Refer to Summary Plan Description                  |       |
| Contacts                      | Up to \$60 copay (\$130 allowance)                 |       | Up to \$60 copay (\$130 allowance)                 |       | Up to \$60 copay (\$130 allowance)                 |       |
| <b>Total Monthly Premiums</b> |  |       |  |       |  |       |
| Employee Only                 | \$   | 7.75  | \$   | 7.98  | \$   | 8.22  |
| Employee + Spouse             | \$   | 15.49 | \$   | 15.96 | \$   | 16.43 |
| Employee + Child(ren)         | \$   | 16.56 | \$   | 17.06 | \$   | 17.57 |
| Employee + Family             | \$   | 26.49 | \$   | 27.29 | \$   | 28.10 |
| <b>Employee Monthly Rates</b> |  |       |  |       |  |       |
| Employee Only                 | \$   | -     | \$   | -     | \$   | 1.23  |
| Employee + Spouse             | \$   | -     | \$   | -     | \$   | 2.47  |
| Employee + Child(ren)         | \$   | -     | \$   | -     | \$   | 2.64  |
| Employee + Family             | \$   | -     | \$   | -     | \$   | 4.22  |
| Cost Share %                  |  | 0%    |  | 0%    |  | 15%   |

Employee cost sharing will be the lower of the employee monthly rate listed above or 15% of the total monthly premium (which includes employer and employee costs).

**IBEW Local 1393 and USW Locals 12213 and 7441  
2017 Vectren Contract Highlights  
Discussion of Pension and 401(k) Plan Improvements**

**Defined Benefit Pension Plan**

The IGC Bargaining Unit Retirement Plan is a defined benefit pension plan that provides retirement benefits to employees hired *before* 7/21/09. In order to maintain the proper wage replacement during your retirement, the monthly pension multiplier should increase each year along with the annual increase you receive in base wages. However, in recent years the increases to the pension multiplier have lagged significantly behind the negotiated wage increases. Importantly, in the new contract, the increases in the pension multiplier actually exceed the wage increases as they jump from \$64 for 2017 service to \$69 for 2018 and 2019 service, and to \$70 for 2020 service.

Additionally, the Early Retirement reduction factors will be improved. You can now retire at age 62 or later with a 100% benefit.

**401(k) Plan**

Under the Vectren Retirement Savings Plan, the Company makes *non-matching* (automatic) contributions for employees hired *on or after* 7/21/09. Effective 1/1/18, these contributions will be increased from 3% to 4% of annual base pay.

Additionally, under the Savings Plan, the Company also makes annual *matching* contributions for all employees. For employees hired *before* 7/21/09, the Company will match up to 50% of the first 5% of an employee's elective contributions. For employees hired *on or after* 7/21/09, the Company will match up to 50% of the first 6% of an employee's elective contributions. These provisions will not change under the new contract.

Unfortunately, many employees are leaving money on the table because they don't contribute enough to receive the full Company matching contributions. Out of 278 active employees, only 160 employees (just 58%) are contributing enough to receive the full Company matching contribution that they are entitled to under their Union contract. The other 118 employees will leave over \$217,000 on the table in 2017 unless they start contributing more! In fact, 29 employees are not making any 401(k) contributions at all!

Because you fund your 401(k) contributions with "pretax" dollars, your take-home pay does not decrease by the full amount of your contribution. Since neither federal or state income taxes are deducted from your contribution, your paycheck will only go down by \$60-\$80 per month for every \$100 you put into the 401(k) Plan. The exact amount will depend on such things as your total family income, your federal tax bracket and the number of exemptions you have.

## Local 1393 and USW Locals 12213 and 7441 2017 Vectren Contract Wage Increase Chart (2017 - 2019)

| #  | Current Rate | 3.00% Increase | New Rate Eff. 8/28/17 | 2.50% Increase | New Rate Eff. 12/31/18 | 2.75% Increase | New Rate Eff. 12/2/19 | Total 3-Year Wage Gains* |
|----|--------------|----------------|-----------------------|----------------|------------------------|----------------|-----------------------|--------------------------|
| 1  | \$17.22      | \$0.52         | \$17.74               | \$0.44         | \$18.18                | \$0.50         | \$18.68               | \$6,377                  |
| 2  | \$25.62      | \$0.77         | \$26.39               | \$0.66         | \$27.05                | \$0.74         | \$27.79               | \$9,487                  |
| 3  | \$27.20      | \$0.82         | \$28.02               | \$0.70         | \$28.72                | \$0.79         | \$29.51               | \$10,072                 |
| 4  | \$28.82      | \$0.86         | \$29.68               | \$0.74         | \$30.43                | \$0.84         | \$31.26               | \$10,672                 |
| 5  | \$28.92      | \$0.87         | \$29.79               | \$0.74         | \$30.53                | \$0.84         | \$31.37               | \$10,709                 |
| 6  | \$30.53      | \$0.92         | \$31.45               | \$0.79         | \$32.23                | \$0.89         | \$33.12               | \$11,306                 |
| 7  | \$30.85      | \$0.93         | \$31.78               | \$0.79         | \$32.57                | \$0.90         | \$33.47               | \$11,424                 |
| 8  | \$31.85      | \$0.96         | \$32.81               | \$0.82         | \$33.63                | \$0.92         | \$34.55               | \$11,794                 |
| 9  | \$32.34      | \$0.97         | \$33.31               | \$0.83         | \$34.14                | \$0.94         | \$35.08               | \$11,976                 |
| 10 | \$33.28      | \$1.00         | \$34.28               | \$0.86         | \$35.14                | \$0.97         | \$36.10               | \$12,324                 |
| 11 | \$34.18      | \$1.03         | \$35.21               | \$0.88         | \$36.09                | \$0.99         | \$37.08               | \$12,657                 |

\* Includes straight-time wages only; excludes overtime wages.

**IBEW Local 1393 and USW Locals 12213 and 7441 - Active Employees  
Vectren - 2018 Projected Employee Premiums and "Worst Case"**

| 2018 Medical/Rx Drug Plans |             |
|----------------------------|-------------|
| Current HDHP               | Current PPO |

| Enrollment Tier         | Employee Contributions (Monthly) |           | Employee Contributions (Monthly) |           |
|-------------------------|----------------------------------|-----------|----------------------------------|-----------|
|                         | Annual                           | (Monthly) | Annual                           | (Monthly) |
| - Employee Only         | \$198.48                         | \$16.54   | \$1,643.40                       | \$136.95  |
| - Employee + Spouse     | \$515.88                         | \$42.99   | \$4,275.12                       | \$356.26  |
| - Employee + Child(ren) | \$396.84                         | \$33.07   | \$3,286.80                       | \$273.90  |
| - Employee + Family     | \$567.84                         | \$47.32   | \$4,703.04                       | \$391.92  |

| Enrollment Tier         | Company HSA Contribution | Company HSA Contribution |
|-------------------------|--------------------------|--------------------------|
| - Employee Only         | \$500                    | NA                       |
| - Employee + Spouse     | \$1,000                  | NA                       |
| - Employee + Child(ren) | \$1,000                  | NA                       |
| - Employee + Family     | \$1,000                  | NA                       |

| Enrollment Tier         | Worst Case * | Worst Case * (1) |
|-------------------------|--------------|------------------|
| - Employee Only         | \$2,398      | \$4,343          |
| - Employee + Spouse     | \$4,916      | \$9,675          |
| - Employee + Child(ren) | \$4,797      | \$8,687          |
| - Employee + Family     | \$4,968      | \$10,103         |

\* Worst Case = Annual Employee Contributions plus Maximum Out-of-Pocket Costs less Company HSA contributions.

(1) It is harder to reach the PPO out-of-pocket maximums.

**Green Italics - Identifies lower costs.**



**IBEW Local 1393 and USW Locals 12213 and 7441 - Active Employees  
Vectren - 2018 Medical and Rx Drug Plan Design Comparison**

| Plan Provisions                                       | Current Plan (HDHP) *          |  | Current Plan (PPO)                 |  |
|---|--------------------------------|--|------------------------------------|--|
|   | In-Network                     |  | In-Network                         |  |
| Deductible  |                                |  |                                    |  |
| - Single  | \$2,700                        |  | \$750                              |  |
| - Family  | \$5,400                        |  | \$1,500                            |  |
| Coinsurance %   | 0%                             |  | 20%                                |  |
| Out-of-Pocket Maximum<br><i>(Includes Deductible)</i> |                                |  |                                    |  |
| - Single  | (Combined for Medical/Rx Drug) |  | (Combined for Medical/Rx Drug) (1) |  |
| - Family  | \$2,700                        |  | \$2,700                            |  |
| Office Visit Copay (PCP)                              | \$5,400                        |  | \$5,400                            |  |
| Office Visit Copay (Specialist)                       | 0% after deductible            |  | \$20                               |  |
| ER Copay  | 0% after deductible            |  | \$20                               |  |
| ER Coverage Limitation                                | 0% after deductible            |  | \$75                               |  |
| Retail Rx Copays                                      | None                           |  | Waived if admitted                 |  |
| - Generic   | [3-tier w/Managed Rx]          |  | [3-tier w/Managed Rx]              |  |
| - Brand (Formulary)                                   | 0% after deductible            |  | \$10                               |  |
| - Brand (Non-Formulary)                               | 0% after deductible            |  | \$30                               |  |
|   | 0% after deductible            |  | \$50                               |  |
| Mail Order Rx Copays (90-day)                         |                                |  | [2 x Retail]                       |  |
| - Generic   | 0% after deductible            |  | \$20                               |  |
| - Brand (Formulary)                                   | 0% after deductible            |  | \$60                               |  |
| - Brand (Non-Formulary)                               | 0% after deductible            |  | \$100                              |  |

\* Eligible for HSA contributions.

(1) It is harder to reach the PPO out-of-pocket maximums.

