

AN AGREEMENT
BETWEEN THE
INTERNATIONAL BROTHERHOOD OF ELECTRIC WORKERS
LOCAL 1238
AND
NORTH AMERICAN ENERGY SERVICES COMPANY

Effective: July 1, 2006

Expiration Date: June 30, 2010

TABLE OF CONTENTS

<u>Article</u>	<u>Page</u>
1. Purpose of the Agreement	1
2. Recognition	1
3. Management	2
4. Union Representatives	2
5. Notice between the Union and the Company	2
6. Company/Union Meetings	3
7. Job posting, bid procedures and seniority	3
8. Work schedule/hours of work	4
9. Overtime	5
10. Holidays	5
11. Flex Leave	6
12. Sick leave	6
13. Short term disability	6
14. Health care insurance payments	7
15. No discrimination	7
16. Duration of the Agreement	7
17. Contracting out	8
18. Human Resources Policies and Procedures	8
19. Grievance procedure	8
20. Reduction in force	10
21. Seniority	11
22. Rest periods (break)	11
23. Strike clause	12
24. Discipline	12
25. Salaries	12
26. Employee Incentive plan	12
27. Shift differential pay	12
28. Flex Leave sell back	12
29. Safety	13
30. Severability	13
31. Zipper clause	13
32. Union dues	13
33. Fitness for Duty	15
<u>Appendices</u>	
A. Job classifications and pay rates	16
B. Ground rules for negotiations	17

AGREEMENT

This AGREEMENT, made and entered into this **DATE** TBD, by and between North American Energy Services, Company, hereinafter referred to as the "COMPANY" or as the "EMPLOYER", and the INTERNATIONAL BROTHERHOOD of ELECTRICAL WORKERS Local 1238, hereinafter referred to as the "UNION" or as the "EMPLOYEES."

WITNESSETH:

WHEREAS, it is the intent and purpose of the parties to set forth herein their entire Agreement covering rates of pay, wages, hours of employment and other conditions of employment; to promote the efficiency, safety and productivity of employees and to provide for prompt and fair settlement of grievances without any interruption of or other interference with the operation of the COMPANY;

NOW, THEREFORE, In consideration of the mutual agreements herein contained, the parties do mutually agree as follows:

ARTICLE 1. PURPOSE OF THE AGREEMENT:

Both parties mutually agree that their objective is for the good and welfare of the COMPANY and UNION members alike. Both parties further agree that in the interest of collective bargaining and harmonious relations they will at all times abide by the terms and conditions as hereinafter set forth and agreed upon.

The Company shall provide a copy of this Agreement to all employees covered under its terms. Should the Agreement be reproduced by making copies, the Company shall bear the cost. Should the Agreement be professionally printed, by a mutually acceptable printer, the Company and Union agree to equally share the cost of the copies of this Agreement.

ARTICLE 2. RECOGNITION

Section 1. The COMPANY recognizes the INTERNATIONAL BROTHERHOOD of ELECTRICAL WORKERS Local 1238 as the exclusive bargaining representative of the unit certified by the State of Delaware Department of Labor, Division of Industrial Affairs, under Chapter 13, Title 19, Delaware Code under case number 199. Included in such recognition are full-time and part-time employees who work twenty (20) hours or more per week employed by the Company included in the job classifications as set forth in Appendix "A". Excluded from representation are all Confidential, Professional, Supervisory or Managerial employees, Temporary employees, Guards and Part-time employees who are regularly scheduled to work less than twenty (20) hours per week, or who are not regularly employed.

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Section 2. The job classifications of Appendix "A" shall remain in effect until the necessity of change shall arise. Any references to job classifications are solely for identification purposes only and are not intended to limit any work functions whether regularly performed or not. No work belongs to any employee or to any particular job level or class or to any groups of employees. Should the Company decide to make changes in these job classifications, the Company will write up the change and conduct a job analysis according to the Company's HR policies and procedures in effect at the time.

ARTICLE 3. MANAGEMENT

The management of the Company is vested exclusively in the Plant Manager. The Company retains the full and exclusive right to, and authority for, the management of its operation. This exclusive right shall be retained except as expressly and specifically delegated to the contrary by the terms of this agreement. Among those exclusive retained rights, but not limited thereto, is the right to manage and direct its business and personnel; to manage and control its departments, buildings, facilities and operations; to create, change, combine or abolish departments, facilities and jobs, in whole or in part; to determine the methods and means and personnel by which its operations are to be conducted, including the number of employees it will employ or retain; to contract with other employers for work, and to subcontract work; to hire, schedule, assign, train, promote, transfer, discipline, discharge or lay off employees; to establish, promulgate, amend, and enforce work regulations and rules of conduct; to maintain discipline and efficiency, to establish work standards, assign work requirements and overtime and determine qualifications; to take all necessary actions to maintain uninterrupted service to its customers and to carry out its mission in emergencies.

For the purpose of the implementation of any provision of this Agreement wherein the authority is vested in the Plant Manager, the Plant Manager may designate any member of his Staff to act in his behalf.

ARTICLE 4. UNION REPRESENTATIVES

A written list of the Union Representatives shall be furnished to the employer immediately after their designation and the Union shall notify the employer of any changes in the list which occur from time to time.

ARTICLE 5. NOTICES BETWEEN THE UNION AND THE COMPANY

Notices hereunder shall be deemed to have been adequately given if served by certified mail upon the persons named below at the address indicated unless otherwise notified in writing.

Notice to the Union shall be addressed to:

IBEW - LOCAL #1238
P.O. Box 10166
Wilmington, DE 19850-0166

Notice to the Plant Manager shall be addressed to:

North American Energy Services
Attn: Plant Manager
880 Buttner Place
Dover, DE 19904

ARTICLE 6. COMPANY/UNION MEETINGS

The Company and the Union representatives agree to meet at any reasonable time necessary to discuss, investigate, evaluate, and resolve any issues that may arise.

ARTICLE 7. JOB POSTING, BID PROCEDURES AND SENIORITY

Section 1. When the Company determines to fill a vacancy which has become available in a line of progression job at the McKee Run Power Plant, as listed in Appendix A; the Company agrees to post that position for a period of six (6) calendar days. Copies of all jobs postings shall be forwarded to the Union Business Manager prior to such posting.

Employees may bid on such vacancies and where the skill and ability of the candidates is equal in the opinion of the Company, the employee with greatest seniority shall be given preference to fill the vacancy.

Section 2. When the Company determines to fill vacancies in entry level positions or positions which are not covered by a line of progression, the Company agrees to post such vacancies in accordance with the HR policy and applicable laws.

Employees may bid on such vacancies and where the skill and ability of the candidates is equal in the opinion of the Company, the employee with greatest seniority shall be given preference to fill the vacancy.

Section 3. An employee who is promoted shall be given a reasonable trial period, not to exceed four (4) months in which it shall be determined whether or not they can meet, or in the opinion of the Company, can be reasonably expected to meet the job requirements.

During this period, they shall receive adequate instruction and training on the job, and will be regularly appraised in an informal manner of their progress. Any employee failing to meet the job requirements within this period shall be reassigned to their original classification from which they were promoted and shall immediately resume their wage rate and seniority they would have been entitled to if they had never left.

Before any reassignment is made or if problems should occur, the area supervisor shall discuss the matter with the employee who was promoted, hired or transferred as a result of the vacancy of the original job, who may be demoted, terminated (if hired as a result of the original posting) or transferred back to their original classification and shall resume their wage rate and seniority they would have been entitled to if they had never left or been hired.

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Section 4. A successful bidder shall receive a minimum one step pay increase or an increase to the minimum step of the new classification, whichever is greater.

Section 5. While it is the intent of the Company to maintain employees in their assigned classifications, the Company may find it necessary to temporarily transfer employees to other positions to assure the orderly performance and continuity of operations for the plants.

Temporary transfers may be required for the following:

1. A position is vacant and is scheduled to be filled.
2. A position is temporarily vacant because of extended sick leave, workers compensation injury, vacation or other extended leave of absence.
3. Short term changes in the balance of the number of workers required in each classification in order to meet customer expectations and equipment needs.

An employee temporarily assigned to an equal or lower classification shall receive their normal rate of pay while so assigned.

An employee temporarily transferred to a higher classification will receive a temporary upgrade of at least 5% in pay after 30 continuous scheduled days or 45 scheduled days in any 90 day period. Should there be another occasion of an upgrade to the same classification in a 12 month period, the temporary upgrade in pay will take place after 10 scheduled days.

Section 6. During assignments to other classifications for the purpose of familiarization and training for the potential of future promotions, for the familiarization and training of others, or for the efficient use of labor resources, the employee's rate of pay shall remain unchanged.

ARTICLE 8. WORK SCHEDULE/HOURS OF WORK

Section 1. The basic work week shall consist of five (5) days per week from Monday through Friday inclusive. Forty hours per week shall constitute the normal work week. The Company will determine the hours of work. Employees will receive overtime pay at time and one half their straight time hourly rate of pay for all hours worked in excess of either the regular scheduled hours worked or 40 hours worked in one payroll week. While it is the intent of the Company to maintain a normal schedule of weekly employment, this statement shall not be considered a guarantee of any minimum hours of work, or as a limitation of the number of hours which the Company may reasonably require an employee to work if the conditions necessitate additional hours of work, or any guarantee as to a specific schedule of work .

Nothing contained herein shall be construed as preventing the restructuring of the normal work day or work week as deemed necessary to provide service. However, the Company will attempt to provide 24 hours notice, if feasible, of any change in hours of work or work schedule.

Section 2. A Shift employee is hereby jointly defined as an employee who works at a job which is operated on a rotating twenty-four (24) hour per day, seven day a week basis, including holidays.

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All other employees are defined as those who are assigned to work on a regular or recurring nature requiring in varying degrees work during the day or night which may include Saturdays, Sundays and holidays.

Section 3. It is not the intent to require an employee to work more than 16 hours without an 8 hour rest period, provided relief is available.

ARTICLE 9. OVERTIME

Employees will receive overtime pay at time and one half their straight time hourly rate of pay for all hours worked in excess of either the regular scheduled hours worked or 40 hours worked in one payroll week. No pyramiding of overtime will be permitted, i.e. there shall not be payment of more than one premium rate for the same hours of overtime.

For the purpose of computing overtime pay, earned disability leave, and earned Flex Leave shall not be considered as hours worked. For the purpose of computing overtime pay, holiday pay provided in Article 10 will count toward 40 hours worked.

Lost time due to general leave, personal business, unexcused absence and lateness shall not be considered as hours worked. Hours worked on a Company recognized holiday shall be paid at time and one-half (1 1/2) in addition to the holiday pay received.

All overtime must be authorized by the employee's supervisor or management prior to working overtime hours except in the case of an emergency at which time the overtime may be authorized by the employee's supervisor after the emergency.

ARTICLE 10. HOLIDAYS

The following days shall be considered to be paid holidays:

- | | |
|------------------------------|---------------------------|
| New Years Day | Labor Day |
| Martin Luther Kings Birthday | Veterans Day |
| Presidents Day | Thanksgiving Day |
| Good Friday | Friday after Thanksgiving |
| Memorial Day | Christmas Day |
| Independence Day | |

When a holiday falls on a Saturday, a paid holiday is granted on Friday; when a holiday falls on a Sunday, a paid holiday is granted on Monday. All regular employees shall receive eight hours straight time pay for each of the recognized holidays effective with their hire date even when they do not work on such holiday.

Employees who are required to work on a holiday shall receive holiday pay (8 hours) plus pay at one and one half (1 1/2) the regular rate for actual hours worked. An employee who is on an authorized vacation during a holiday period shall not be charged a vacation day for the holiday. In all other cases, to receive holiday pay an employee must have worked the regularly scheduled work day before and after the holiday, or have been on an excused absence.

ARTICLE 11. FLEX LEAVE

All regular employees accumulate paid time away from work for vacations, funerals, personal leave, family emergencies and the first day of illness or injury. Accumulation begins on the first day of employment and may be used as accrued. Scheduling and approval of FlexLeave will be administered in accordance with Company Policy.

<u>Length of Service</u>	<u>Hours Accumulated</u>	<u>Maximum Accrual</u>
first 5 years	10.67/mo.	160 hrs.
after 5 years	14.00/mo.	200 hrs
after 15 years	17.34/mo	240 hrs
after 20	20.67/mo	280 hrs

ARTICLE 12. SICK LEAVE

The first day of scheduled work hours (8 hours) that an employee is absent from work due to employee or family illness (with family defined as dependent child, spouse or parent) or disability is deducted from the employee's FlexLeave account. The remainder of the time away from work for that incident is deducted from the employees disability account. This use of sick leave may require verification by the Company from the first hour used as deemed appropriate by the Management. In expanding the reasons for the use of sick time the Company has not changed its standards for attendance at work. Excessive absenteeism, tardiness, or the abuse of sick leave will continue to be just cause for progressive disciplinary action.

ARTICLE 13. SHORT TERM DISABILITY

Basic Benefit:	All regular employees Basic benefit applies when all accrued Disability Account hours are used	Benefit of 60% of base pay to maximum of \$750.00/week for up to 26 weeks
Disability Account	All regular employees may use Disability Account accrual as Necessary for employee or Family illness or injury	12.50 hours accrued/month up to 1040 hours. At termination, no payment will be made for hours in the Disability Account

ARTICLE 14. HEALTH CARE INSURANCE PAYMENTS

- a. The Company agrees to provide medical plan coverage for it's employees. If the Company intends to make medical plan changes, the Company will review proposed changes with the union prior to implementation. The Company agrees to maintain comparable, but not necessarily identical, medical coverage and cost sharing for the life of the contract. The Company will pay 100% of the individual employee premium and 60% of the dependent premium.
- b. DENTAL PLAN: The Company agrees to continue the optional, employee-paid, group dental plan.
- c. EYE CARE PLAN: The Company will provide eye care plan for employees. This will be an insured plan and is subject to the terms of the plan sponsor. Employees who are assigned to positions which require safety glasses for work, are to specify safety eye wear with side shields when purchasing glasses to be worn at work.

ARTICLE 15. NO DISCRIMINATION

The parties to the Agreement agree that they shall not discriminate against any person because of race, creed, color, sex, national origin, age or status as a disabled employee as described by the Americans with Disabilities Act, or as a Vietnam era Veteran. Furthermore, there shall be no discrimination, interference, restraint, or coercion by the Company or any of its agents against any employee because of their membership in the union or because of any lawful activities on behalf of the Union and such persons shall receive the full protection of this Agreement.

ARTICLE 16. DURATION OF THE AGREEMENT

This Agreement, subject to the approval of the IBEW International President, shall not be limited nor qualified unless by mutual written consent and shall become effective on the first pay period following membership ratification of this agreement.

This Agreement shall be effective as of the first day of July, 2006, and shall be binding upon the parties hereto and upon all employees who are subject to its provisions and it shall remain in full force and effect until June 30, 2010 unless the O&M Agreement between the Company and the City of Dover is extended beyond that date in which case the Company shall have the option to extend this agreement for an additional ninety days beyond the date provided the Company gives the Union notice of its intention to extend the term of this agreement at least (30) days following the date of entering into a new agreement with the City of Dover. If, for any reason, the Company's O&M agreement were to terminate during the term of this agreement, this agreement would concurrently terminate and the Company's obligations there under would immediately cease at the time the Company is no longer the operator.

ARTICLE 17. CONTRACTING OUT

If the Company finds that it should be necessary to employ outside contractors for work of the type customarily performed by the employees of the Company, no such work will be contracted out if it would result in the loss of regular employment for employees who customarily do this work.

ARTICLE 18. HUMAN RESOURCE POLICIES AND PROCEDURES

The Human Resource (HR) Policies and Procedures set out in the Company HR Policies and Procedures manual dated July 1, 2006, and listed below shall become part of this agreement, and shall only be changed by mutual agreement. The union agrees to cooperate with the company on reviewing proposed HR policy/procedure changes and to not withhold approval for proposed changes unreasonably. Whenever the specifics of the contract and the HR Policies and Procedures are in conflict, the contract shall apply.

- 106 Affirmative Action/EEO
- 202 Employee Assistance Program
- 204 Education Assistance
- 207 Student Scholarship Program
- 404 Leaves of Absence
- 407 Harassment
- 408 Employment of Relatives

With respect to the remaining HR Policies and Procedures set out in the Company HR Policies and Procedures Manual in effect at the time, the Company shall have the right to change any policy or procedure as well as the right to establish any new policy or procedure. Provided, however, the Company may not change or establish any policy or procedure which varies the terms of the HR policies and procedures listed above or the terms of the contract itself.

ARTICLE 19 . GRIEVANCE PROCEDURE:

Section 1. A grievance is hereby defined as a controversy, complaint, interpretation of, or dispute of the expressed terms or provisions of this agreement. Should any grievance arise between the Company and the Union or its members, both parties shall endeavor to settle same in the simplest and most direct manner.

- a. First Step - A grievance shall be filed with the Company in writing stating the issue in dispute, section of the agreement violated, and the name of the grievant(s) within fifteen (15) working days from the date the aggrieved employee and/or the Union had become aware of or had knowledge of the alleged violation or dispute. A three (3) month time limit shall apply in the case of an alleged wage violation. The procedure shall be as follows unless any step, with the exception of the Fourth Step, is waived or combined by mutual consent.

The Union Steward and the aggrieved employee shall request a meeting with, and take up the grievance with the aggrieved employee's immediate supervisor. If the Union is dissatisfied with the immediate supervisor's decision, which shall be rendered in writing within five (5) working days after the First Step meeting, then the grievance shall be submitted to the employee's second-level manager for the Second Step within fifteen (15) working days of the immediate supervisor's decision. (If second-level manager is Plant Manager, go directly to Third Step.)

- b. Second Step - To be held between the Grievance Committee of the local Union, not to exceed three (3) members, one of which must be the grievant(s), and the Business Manager or his designee, and the employee's second-level manager, and the employee's immediate supervisor within ten (10) working days of the Company's notification of the First Step appeal from the Union. The second-level manager will render a written decision within ten (10) working days of the Second Step meeting date to the grievant, Shop Steward, and the Business Manager. If the Union is dissatisfied with the decision, the issue shall be referred to the Plant Manager for the Third Step within fifteen (15) working days following the receipt of second-level manager's written decision.
- c. Third Step - To be held between the Grievance Committee of the Local Union, not to exceed three (3) members, one of which may be the grievant(s), and the Business Manager or his designee, and the Company Committee, including the Plant Manager and any additional person deemed by the Plant Manager to be necessary to effectuate a resolution of the grievance. An International Representative of the IBEW may also be present. The Third Step shall be held within twenty (20) working days of the Company being notified of the Second Step appeal by the Union.

The Plant Manager shall render a written decision within ten (10) working days of the Third Step meeting date, and communicate it to the Business Manager, Shop Steward and Grievant(s).

- e. Fourth Step - If the Union is dissatisfied with the Plant Manager's decision, it may submit the grievance to the Federal Mediation and Conciliation Service (F.M.C.S.) within ten (10) working days of the completion of Step Four. Any grievance submitted to the F.M.C.S. for adjudication shall be processed in accordance with the rules and regulations of the F.M.C.S., but shall not be legally binding on the parties to the Agreement. Each party shall be responsible for any and all of its costs which it incurs as a result of participating in any F.M.C.S. proceeding, including all costs of witnesses, attorneys or other persons who may attend the proceeding.

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- f. Fifth Step - After the foregoing procedures have been carried out, it is understood that the aggrieved party/Union shall have the right to submit the controversy to a court of competent jurisdiction.

Section 2. All meetings referred to in Steps 2, 3, and 4 shall be scheduled during normal business hours (7 A.M. to 5 P.M., Monday through Friday). Grievances presented during normal working hours shall not exceed one (1) hours duration. Should a grievance need to be presented on an employee(s) shift outside of the normal working hours of the Company, the employee(s) shall not lose pay. Forms used for the processing of grievances shall be provided by the Union and approved by the Company.

Section 3. Should an employee be suspended or discharged, he shall be entitled to a hearing, starting with the Third Step as described above, and the case shall be processed promptly.

Section 4. The time periods set forth in Section 1 above are of the essence of this agreement and are essential to the proper handling and settlement of grievances. Therefore, these time limits can be extended only by a written agreement between the Company and the Union. A grievance that is not timely filed in accordance with the time limits set forth in Steps 1 through 4, shall be considered void. If the Company fails to respond in accordance with the time limits set forth in Steps 1 through 4, the Union may appeal it to the next step.

Section 5. Any grievance that should arise concerning medical plan design shall begin the grievance process at Step 3.

ARTICLE 20. REDUCTION IN FORCE

In the event that it becomes necessary to lay off forces in any classification, the following factors in descending order will be considered by the Company: time in department (departments shall be defined as: Operations, Maintenance, Electrical, and Instrumentation), qualifications, and attendance/discipline record. The Company shall notify the Union Business Manager of reasons, in writing, with at least two (2) weeks notice prior to laying off regular employees. In the event that the Company finds it necessary to reduce forces, the following shall apply:

- a) The Company has the sole right to determine if a vacancy exists in any other work group or if additional personnel are needed and the designation and classification of the job to which an employee can be transferred.
- b) The Union agrees to waive the posting procedure and will oppose no reasonable transfer of any employee from the curtailed work group to another work group.
- c) The transferred employee shall be given reasonable and sufficient instruction and training in which to qualify for the job.
- d) During the qualifying period, the employee will be reviewed, counseled and instructed on their progress in the job.

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- e) Should the employee fail to meet the requirements of the job and disqualify, he shall be reassigned to the classification from which he was transferred for further personnel disposition.
- f) The employee shall assume the rate of pay for the job to which transferred.
- g) When additional employees are needed in a classification, the regular employees who have been laid off or transferred out of that classification within a six (6) month period, due to lack of work, shall be offered the jobs before they are filled by promotion or transfer of employees with less seniority, or by the hiring of new employees. A notification shall be sent them by registered mail, to the latest mailing address supplied to the Company, and copies of the notification shall be forwarded to the Union Business Manager. The Company shall be notified within five (5) working days after receipt of the notice by the former employee of their desire to accept the offer of the job and the former employee will start work not later than three (3) weeks after the receipt of the notice. Should the employee fail to respond or report, they will be dropped from the Company employment rolls.

ARTICLE 21. SENIORITY

Seniority is defined as the length of continuous service at the Facilities, beginning with the date of last continuous employment at the Facilities, and shall not be interrupted by layoffs of one (1) year or less, authorized leaves of absence, or absences due to military service, sickness or accident. When employees have equal seniority, the employee with the lowest employee identification number shall be senior.

All new employees, except those returning under the first paragraph of this section, shall be considered probationary employees and must complete a probation period of six (6) months.

Upon completion of said period, such employees shall enjoy seniority status from the date of last hiring. Such an employee shall have no seniority rights during this probationary period and may be disciplined or terminated during this period at sole discretion of the Company and not subject to the grievance procedure. The rate of pay during such probationary employment shall not be less than the minimum rate of pay for the employees' classification in the wage schedule.

ARTICLE 22. REST PERIODS (BREAK)

The Company authorizes two (2) fifteen (15) minute breaks per normal work day in addition to the lunch one-half hour. These fifteen (15) minute breaks should not be abused and must be taken at a time that will not disrupt the operation of the job function. The supervisor shall have the authority to assign a break time if necessary, as well as a lunch period.

ARTICLE 23. STRIKE CLAUSE

It is agreed that during the term of this Agreement neither the Union, its officers or its members shall instigate, call, sanction, condone or participate in any strike (including sympathy strikes) slow-down, picket, stoppage of work, boycott, willful interference with production, transportation or distribution against the Company, and there shall be no lockout of employees by the Company.

ARTICLE 24. DISCIPLINE

The Company will follow the corrective disciplinary action procedure described in its HR Policies and Procedures.

The Union Steward shall be notified of corrective disciplinary actions, demotion or discharge of employees. Any objection shall be handled through the grievance procedure.

ARTICLE 25. SALARIES

A. The effective base wage rates are set forth in Appendix A. Wage rate increases will be effective the first full pay period of the month of January.

B. The Company will continue to pay salaries bi-weekly.

ARTICLE 26. EMPLOYEE INCENTIVE PLAN

The Company will provide an annual employee incentive plan connected to Company performance.

ARTICLE 27. SHIFT DIFFERENTIAL PAY

Shift differential pay shall be granted to all personnel who work a permanently assigned full rotating shift.

Shift differential shall also be granted to any full time regular employee assigned to work the evening or night shift for an extended period of time. Periodic and/or occasional evening or night shift assignment or off shift work by regular or part time employees does not qualify for shift differential pay.

Shift differential pay shall be paid at \$1/hr for shifts starting after 6:00 pm.

ARTICLE 28. FLEX LEAVE SELL BACK

Flex Leave sell back shall be the same as established by HR policies and procedures.

ARTICLE 29. SAFETY

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A. In order to have a safe place to work, the Company shall not require an employee to work in situations which would subject the employee or others to imminent risk of serious bodily harm. All such employees shall comply with all safety rules and regulations established by the Company.

B. If an employee has justifiable reason to believe that his safety and health are in danger due to an alleged unsafe condition, equipment or unsafe work habits of others, he shall inform his supervisor before proceeding with the job. The supervisor shall be responsible to determine what action or equipment, if any, is necessary to make the job safe or the job shall be shut down. If unsure about the safety criteria the supervisor may involve others in the job analysis before rendering the decision.

C. All classifications represented by IBEW must wear steel-toed or equivalent safety shoes/boots. New employees or employees newly appointed to a position requiring safety shoes will be provided with a pair at no cost to the employee. The wearing of proper safety equipment is a condition of employment. Persons who report to work without proper footwear will be sent home without pay.

D. The Company shall provide one pair of acceptable safety shoes/boots per year at no cost to employees, provided that the cost of those shoes does not exceed \$150 per pair.

ARTICLE 30. SEVERABILITY

In the event that any provision of this Agreement is invalid or unenforceable, the remainder of the Agreement shall not be affected thereby and all other provision of this Agreement as are valid shall be fully enforceable.

ARTICLE 31. ZIPPER CLAUSE

This written agreement is the complete agreement of the parties, neither party may require the other to open this agreement for renegotiation. Consistent with Article 16, however, changes may be made by mutual written consent.

ARTICLE 32. UNION DUES

Section 1. Check-off Except as noted below*, employees shall, as a condition of employment, on and after the thirty-first (31st) day of employment, be required to become a member of the Union or pay an agency fee as detailed here or in Section 2. The Company shall deduct the amount of Union dues, Union assessments, and voluntary Union Political Education Committee amounts from employee's paychecks as long as the Union designates in writing the amount of these Union Dues, Union assessments and voluntary Union Political Education Committee deductions for each member by the first week of December and provides a signed authorization card or agency fee agreement that identifies dues, assessments, and voluntary deductions are authorized to be withheld by the employee. These deductions would become effective for the first full pay period after January 1st and the Company shall forward the amount deducted monthly to the Financial Secretary of the Union no later than the seventh (7th) day of

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each calendar month following the month of the deduction.

*Employees who have previously had the right to not pay union dues shall continue to have the right to not pay dues until such time they elect to join the union or to pay an agency fee, and thereafter must remain a union member or agency fee payer as outlined in the preceding paragraph.

Section 2. Agency Fee Excluding those employees noted above, all other employees who are not members of the Union shall, commencing thirty-one (31) days after their employment, pay an agency fee to the Union for collective bargaining and contract administration services rendered by the Union as the exclusive representative of the employees covered by this Agreement, provided said agency fee shall not exceed the dues attributable to being a member of the Union.

Such agency fees shall be deducted by the Company from the earnings of non-members and remitted to the Union with the same frequency and in the same fashion as dues payments.

The Union shall periodically submit to the Company a list of the employees covered by this Agreement who are not members of the Union and an affidavit which specifies the amount of the agency fee.

The amount of the agency fee shall not include any contributions related to the election or support of any candidate for political office or for any member-only benefit. The agency fee should be uniform for each employee subject to the obligation to pay an agency fee. The Union may change the fixed uniform dollar amount that will be considered the regular monthly agency fee once each calendar year during the life of this Agreement. The Union will give the Company thirty (30) days notice of any such change in the amount of the agency fee.

The agency fee procedures described in this Article shall be in accordance with the IBEW "Agency Fee Payor Objection Plan" as approved by the U.S. Department of Labor, in compliance with the U.S. Supreme Court requirements of the most recent Beck decision.

It is specifically agreed that any dispute concerning the amount of the agency fee and/or the responsibilities of the Union with respect to agency fee payors as set forth above shall not be subject to the grievance procedures set forth in this Agreement.

Section 3. Union Reimbursement/Indemnification The Union shall indemnify, defend and hold harmless the Company and its officials, representatives and agents against any and all claims, demands, suits or other forms of liability (monetary or otherwise) and for all reasonable legal costs that shall arise out of or by reason of actions taken or not taken by the Company in complying with the provisions of this Article. If an improper deduction is made, the Union shall refund directly to the employee any such amount.

ARTICLE 33: FITNESS FOR DUTY

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The Company will administer and employees will abide by the Fitness for Duty Policy, as provided in the Company HR Policies and Procedures.

In WITNESS WHEREOF, the parties hereto by their duly authorized representatives have hereunto set their hands and seals the day and year aforesaid.

NORTH AMERICAN ENERGY SERVICES

INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS - LOCAL 1238

BY: _____

BY: _____

BY: _____

BY: _____

BY: _____

BY: _____

BY: _____

BY: _____

APPENDIX A

JOB CLASSIFICATIONS AND PAY RATES

HOURLY PAY RATE
EFFECTIVE as of dates indicated

JOB CLASSIFICATION TITLE

Effective Date

Position	7/1/2006	1/1/2007	1/1/2008	1/1/2009	1/1/2010
* Sr Operator, Step 2	\$29.65	\$30.76	\$31.84	\$32.92	\$33.41
* Sr Operator, Step 1	\$27.85	\$28.89	\$29.90	\$30.92	\$31.38
* Operator II, Step 2	\$25.82	\$26.79	\$27.73	\$28.67	\$29.10
* Operator II, Step 1	\$24.23	\$25.14	\$26.02	\$26.90	\$27.30
* Operator I, Step 2	\$22.64	\$23.49	\$24.31	\$25.14	\$25.52
* Operator I, Step 1	\$21.30	\$22.10	\$22.87	\$23.65	\$24.00
* Assistant Operator. Step 2	\$19.90	\$20.65	\$21.37	\$22.10	\$22.43
* Assistant Operator. Step 1	\$18.68	\$19.38	\$20.06	\$20.74	\$21.05
Mechanic III, Step 2	\$29.65	\$30.76	\$31.84	\$32.92	\$33.41
Mechanic III, Step 1	\$27.85	\$28.89	\$29.90	\$30.92	\$31.38
Mechanic II	\$25.28	\$26.23	\$27.15	\$28.07	\$28.49
Mechanic I, Step 2	\$23.56	\$24.44	\$25.30	\$26.16	\$26.55
Mechanic I, Step 1	\$22.03	\$22.86	\$23.66	\$24.46	\$24.83
Electrician II, Step 2	\$29.65	\$30.76	\$31.84	\$32.92	\$33.41
Electrician II, Step 1	\$27.85	\$28.89	\$29.90	\$30.92	\$31.38
Electrician I, Step 2	\$25.99	\$26.96	\$27.90	\$28.85	\$29.28
Electrician I, Step 1	\$24.47	\$25.39	\$26.28	\$27.17	\$27.58
Instrument Tech, Step 2	\$29.65	\$30.76	\$31.84	\$32.92	\$33.41
Instrument Tech, Step 1	\$27.85	\$28.89	\$29.90	\$30.92	\$31.38

*Line of Progression Jobs

For ease of presentation, only the hourly rate is shown in these tables. The hourly rate multiplied by 40 equals the weekly rate, rounded to the nearest dollar. The hourly rate multiplied by 2080 equals the annual rate, rounded to the nearest dollar. All pay increases will be included in the first full pay period following the effective date.

APPENDIX B

NORTH AMERICAN ENERGY SERVICES.
INTERNATIONAL BROTHERHOOD OF ELECTRIC WORKERS
GROUND RULES FOR NEGOTIATIONS

1. All statements, proposals, counter-proposals, both oral or in writing, made during the course of collective bargaining negotiations must remain confidential and not discussed with anyone except those physically present for the negotiations, the McKee Run Generating Station represented employees, or those in direct support of each party's negotiating team. Any written or planned communication with represented employees will be shared in advance with the other party.
2. No information shall be released to the press either orally or in writing, unless agreed to by both sides. Any party desiring to issue a press release must provide the other a copy of the release 24 hours prior to the scheduled release.
3. Representatives of local 1238 shall be limited to six, four of which must be employed by the Company. The Company shall be limited to like number. If shift workers are involved in the bargaining team there may be more than one from any one shift. If a meeting is held on an employee's shift they will be released to attend the meeting and will be paid by the Company for his/her normal shift hours. Union employees will not be paid by the Company to attend bargaining sessions scheduled for non-work hours.
4. Depending on the subject matter being discussed, it might be appropriate on occasion to add an additional member solely for the purpose of a particular issue. If either side desires to have an additional member it must notify the other side by the preceding bargaining session.
5. Collective bargaining sessions will be scheduled in advance but no later than the end of the previous meeting.
6. All proposals and counter-proposals will be presented in writing and exchanged during negotiations as much as possible. Verbal modifications to oral proposals will be discussed across the table for the purpose of attempting to resolve difficulties. In the event this occurs, the proposal must be reduced to writing for the next bargaining session.
7. When tentative agreements are reached by the parties, they will be signed by the spokesperson for each side and dated. All agreements reached during negotiations shall be tentative until the agreement is first ratified by the membership of the IBEW and then approved by the Company.
8. A party may withdraw a previously signed agreement, but only after it has explained its reason for doing so to the other party.
9. There will be no smoking during negotiations or anywhere within Company property.
10. There will be no taping, either audio or visual, of any collective bargaining session.

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11. All proposals will be presented by the spokesperson for one party to the spokesperson for the other party.
12. Any interviews given by either side must not breach any of the agreements made herein. The person being interviewed will merely confirm that negotiations are in progress.
13. Each party will keep its own record of the negotiating sessions.

AGREEMENT:

COMPANY _____

IBEW LOCAL 1238 _____

DATE _____

WITNESS: