

WESTCOAST ENERGY INC.

and

**COMMUNICATIONS, ENERGY
AND PAPERWORKERS UNION
OF CANADA
Local 686B**

McMahon Plant

February 1, 2001
to
January 31, 2004

AGREEMENT

This agreement made and entered into this 11th day of December, 2001

BETWEEN:

WESTCOAST ENERGY INC.

McMahon Plant
Taylor, B.C.

hereinafter referred to as “the Company”

and

**Communications, Energy and
Paperworkers Union of Canada
Local 686B**

hereinafter referred to as “the Union”

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ARTICLE I - PURPOSE

- 1.01 In consideration of the mutual value of joint discussions and negotiations on matters pertaining to employer/employee relationships, the parties hereto agree that the purpose of this Agreement, including Appendices contained herein, shall be to set forth terms and conditions of employment relating to rates of pay, hours of work and other working conditions affecting the employees covered by this Agreement and to provide for a means of settling disputes and grievances of such employees.

ARTICLE II - RELATIONSHIP

- 2.01 The Company recognizes the Union as the sole collective bargaining agent for all employees at its McMahan Plant, Taylor, British Columbia, with exception of employees of and above the rank of Foremen, Engineers, Engineers-In-Training, Plant Manager-MGP, Maintenance Clerk, Warehouse Coordinator, Maintenance Planner, Corrosion Technician, Maintenance Coordinator (TSP), Environmental Technologist, Superintendent NGL/Taylor, E and I Coordinator - MGP, Process Division Training Coordinator, Training Coordinator, Senior Plant Clerk and office staff.
- 2.02 The use in this Agreement hereinafter of the words "employee" or "employees" shall mean any persons covered by this Agreement.
- 2.03 This instrument and the Appendices attached hereto and made a part hereof constitute the entire Agreement between the parties.
- 2.04 This Agreement may be changed or amended by mutual consent of the parties hereto but such changes or amendments shall take the form of appendices to the original Agreement.
- 2.05 Management rights are limited only by the specific provisions of this Agreement and no implied obligations are intended.
- 2.06
- a) The Company and the Union will neither collectively nor separately discriminate against any employee covered by this Agreement because of race, colour, nationality, sex, age, marital status, religious or political affiliation, membership or non-membership and/or their lawful activity or non-activity in any labour organization, or because of giving evidence, presenting grievances or engaging in any activity permitted by this Agreement.
 - b) The Company and the Local Union recognize their respective obligations and responsibilities to provide a work environment free from harassment.
- 2.07 The employees in the bargaining unit on matters respecting this Agreement or its administration shall have the right to perform such activities during working hours provided they have made prior arrangements with their respective supervisors. If the

Union requires the holding of meetings on Company premises, such meetings must receive the permission of the Plant Manager or designee.

- 2.08 (a) All employees now members of the Union and all employees eligible to become members of the Union, except as herein exempted, shall pay, as a condition of continued employment, monthly to the Union, monies equal to the established dues, initiation fees and assessments uniformly levied by the local Union. The payment of dues does not require the employee to become a member.
- (b) Such deductions shall be remitted to the Secretary/Treasurer of the Union by the tenth (10th) day of the following month, along with a list of those employees for whom such deductions have been made.
- 2.09 The Company will remit to the Communications, Energy and Paperworkers Union of Canada three cents (\$0.03) for each regularly scheduled hour worked by each full-time regular employee who is a member of the CEP bargaining unit at the McMahon Plant. Such monies shall be paid, on a quarterly basis, into a Safety, Health and Industrial Relations Training Fund. The sole purpose of this fund will be to provide training to its members and that Westcoast Energy McMahon Plant employees will share equitably in the benefits of the Training Fund. The training provided will be consistent with the current Safety and Health Programs endorsed by the Company, and the Union will provide the Company with a listing of programs to be presented.
- 2.10 The Union will give the Company thirty (30) day's notice when requesting the Company to terminate an employee because such employee is not a member in good standing of the Union.
- 2.11 The Company grants the Union the use of five glass-covered locked bulletin boards to be permanently located in areas as mutually agreed. It is agreed that no notices of a political nature or of a derogatory nature will be posted thereon. Material shall be signed by the Chairman of the appropriate Union committee, or an officer of the Union. One signed copy of all posted material shall be supplied to the Plant Manager.
- 2.12 The Union may have the assistance of a representative of the Communications, Energy and Paperworkers Union of Canada (C.E.P.) in any meetings and/or negotiations between the parties of this Agreement.
- 2.13 Upon request in person, employees in the Bargaining Unit shall have access to their personnel records at reasonable times and shall upon request, be provided with copies of material contained in such records, which shall be corrected if inaccurate.
- 2.14 The Company will, during the term of the Agreement, confer with the C.E.P. local executive committee for the purpose of discussing the issues of training progression and rate structure.

ARTICLE III - SENIORITY, PROMOTIONS AND VACANCIES

- 3.01 (a) Company seniority is deemed to be the date of hiring as a regular employee. Company seniority will be used only for the purpose of computing vacation entitlement and ascertaining eligibility requirements, where such requirements exist, in enrolling in any Company benefit programs available to the employees. Seniority referred to in all other clauses in Article III will be deemed to be plant seniority.
- (b) The Company seniority, and plant seniority of former Petro-Canada employees hired as a result of an agreement between Westcoast Energy Inc. (McMahon Plant, Taylor, B.C.) and Petro Canada Inc. (Taylor) will include uninterrupted and continuous employment with Petro-Canada.

- 3.02 (a) During the first ninety (90) calendar days of regular employment at the McMahon Plant, new employees will be considered on probation insofar as continued employment is concerned. When a probationary employee is discharged for just cause, such cause shall be provided in writing to the Union. After the ninety (90) calendar days probationary period, seniority shall then be established from the beginning of the probationary period.

- (b) Notwithstanding 3.02 (a), the Company may hire temporary employees for turnarounds, vacations, summer work, leave of absence pursuant to Article VIII, employee absence in excess of 30 calendar days, and other specific jobs such as major maintenance and construction. The Company may also hire temporary employees to provide coverage during the training, project involvement or capital project involvement of full time employees as mutually agreed by the Company and the Union. Either party will not unreasonably deny mutual agreement. Such employees shall not accumulate seniority or receive benefits. An employee hired under this section and subsequently taken on as a regular employee shall have their seniority date from the time of last hire.

Temporary employees that are hired as "summer students" and are not filling a regular full time position in the Plant will be considered for any full time position that they apply for but their appointment to a position will be at the discretion of management.

Temporary employees who have been hired to fill a regular position in the operating units for a finite time period will be considered for any regular full time position that becomes vacant providing the employee has applied and he or she is qualified.

All applicants for a given position will be considered and where performance, experience and qualifications are considered equal, preference will be given to the temporary employee to fill the vacancy.

- (c) Employees will be given a letter at the time of their hire stating whether they will be regarded as a regular full-time employee or temporary employee. If temporary, the period of expected term of employment will be indicated.

- (d) If employees in (b) or (c) above are hired on a temporary basis for such seasonal or discontinuous work the Company will state that the maximum length of employment will be six (6) months. Employees hired to perform this specific work will be terminated when this work and/or time period is finished, whichever comes first.

This time period may be extended by mutual agreement between the Union and the Company.

- (e) The Company agrees that it is not its intent to hire temporary employees to the detriment of the Union, full-time employees or to fill vacancies that would otherwise be filled on a regular full-time basis.

3.03 In the case of employees hired on the same date, the relative plant seniority shall be determined by lot in the presence of a Union official.

3.04 Seniority shall accumulate, and other continuous service benefits listed in Clause 9.01 shall remain in force, during employment, vacations, sick leave, Workers' Compensation leave and other approved leaves.

3.05 Seniority will be retained but shall not accumulate during termination of employment for a period of up to three hundred and sixty-five (365) days due to layoff.

3.06 Seniority shall be lost when:

- (a) An employee is discharged and not subsequently reinstated through the grievance or arbitration procedure;
- (b) An employee resigns;
- (c) Employment is terminated for a period of three hundred and sixty-five (365) days or longer due to layoff.

3.07 When filling vacancies, the Company will give consideration to an employee's performance, experience and qualifications. In cases where these factors are relatively equal, seniority shall govern. Where promotions will take place outside the line of seniority, the Company will inform the Union Committee of its reasons in writing and discuss such reasons before taking final action. If the Union is not satisfied with the decision of the Company, the Union may file a grievance in accordance with the procedures outlined under Article XII of this Agreement.

3.08 The Company will inform the Union of the minimum qualifications for all classifications shown in Appendix A. Both parties shall agree on any proposed changes in minimum qualifications prior to the implementation of such changes.

3.09 All regular vacancies shall be posted on the bulletin boards for six (6) days exclusive of Saturday, Sunday and Company-recognized holidays. Vacancies will be filled from

the qualified bids received, provided one of the bidding employees qualifies in accordance with Clause 3.07 above.

- 3.10 If, after complying with Clause 3.09, it is determined there are no qualified employees available in the Plant, vacancies may be filled by the Company from any other source, provided that the Union shall be notified in writing before such vacancy is filled.
- 3.11 If a vacancy is not filled within sixty (60) days, it will be reposted.
- 3.12 If it is determined that a job opening will last in excess of thirty (30) calendar days, except for reason of vacation, injury, sickness, leave of absence, training, or other reasons as may be mutually agreed on by the Union and the Company, it shall be considered a regular job opening and shall be filled by the normal procedure for filling such jobs. A job opening not known to be of thirty (30) calendar days or longer duration will be filled by upgrade for thirty (30) calendar days. However, if it extends beyond fifteen (15) calendar days, it will be posted and a person will be selected to fill the job as a regular opening in the event it does extend beyond thirty (30) calendar days.
- 3.13 Seniority lists showing Company and Plant seniority shall be prepared and posted. The Company will update such lists every four (4) months and forward a copy of the revised list to the Recording-Secretary of the Union.
- 3.14 Should a backing-down or demotion of employees be indicated, which does not result in layoff, it will be done in reverse order of Plant seniority in the affected Line of Progression of the employees in question. Employees so affected can "bump" the junior person in any of the Lines of Progression shown in Appendix "B" providing they have the seniority and the required minimum qualifications for the Line of Progression to be filled by the "bump".
- 3.15 In the event that a reduction in workforces becomes necessary, the individual(s) with the least Plant seniority shall be reduced from the affected Line of Progression provided that the remaining employees possess the required minimum qualifications. Employees so affected can "bump" the junior person in any Line of Progression shown in Appendix "B" providing they have the seniority and the required minimum qualifications for the Line of Progression to be filled by the "bump". The employee being "bumped" shall be the employee with the least Plant seniority.

No regular employee shall be laid off prior to the lay off of any temporary or student employees provided the regular employee has the ability to do the work.

For the application of Articles 3.14 and 3.15, qualified is deemed to mean:

- (a) employees who require training to attain the required minimum qualifications will be given the opportunity to train to exercise their seniority for one of the following areas: Process Operator 4 [one of Gas Treating, Absorption/Dehydration (including Dew Point Controls) or Condensate/Fractionation (including BPL

Storage/Truck Loading facilities)]. Should an employee possess the required Power Engineering Certification, training will be provided for the classification of Steam Operator 4 (one of Sulphur Plant Floor/Loading or Cogen/Powerhouse Floor). Each employee must successfully complete training within 4 months.

- 3.16 Employees who had established seniority, (as provided in Clause 3.01), when they were laid off and who desire re-employment, shall notify the Plant Manager of such desire in writing within five (5) calendar days after layoff and at least every sixty (60) calendar days thereafter. For a period of one (1) year following the layoff, such employees shall be offered re-employment in reverse order of layoff, provided they meet the minimum qualifications for the job available. The offer shall be made by registered mail to the last known address of such former employee, with a copy to the Secretary of the Union. In the event an employee fails to report for work within fourteen calendar days from the date of mailing the offer, the Company's obligation relative to re-employment shall cease; provided the employee is not prevented from reporting on account of sickness, or an emergency involving the employee's immediate family, and so notifies the Company by registered mail within the above fourteen (14) calendar day period.
- 3.17 Employees legitimately absent from the Plant, including absences due to earned days off during the entire period of a job posting or the filling of a non-posted vacancy, shall automatically be considered for the postings or vacancies which occur during their absence.
- 3.18 (a) Employees who may in the future accept an assignment from the bargaining unit to fill a temporary or permanent vacancy in a classification at the McMahon Plant not covered by the bargaining unit may, within three (3) months, return to their former classification in the bargaining unit and be credited with their full seniority within the unit, including seniority they would have acquired on the job they last occupied. When employees bid on and are accepted for a job posting in any area of the Plant, they will have thirty (30) working days in which to try the new job. The Company will have thirty (30) working days in which to assess the employee's suitability in the new job. The employees may return to their previous positions within the thirty (30) days with no loss of seniority. The Company may return the employees to their previous position within the thirty (30) days with no loss of seniority, and such return shall not be the subject of a grievance.
- (b) Upgrading from within the bargaining unit to cover Supervisor positions shall not affect the scheduling of annual vacations.

ARTICLE IV - WAGE RATES AND CLASSIFICATIONS

- 4.01 Attached hereto, marked Appendix "A", is a schedule of wage rates and job classifications.

- 4.02 (a) When employees are temporarily assigned to a job of a higher classification than their regular job they shall be paid the rate for the full shift for such job when on it for two (2) or more hours.
- (b) Such assignments will be made from employees qualified to perform the duties of the particular job under normal supervision by moving up the personnel of the shift into successive higher classifications from the classification immediately below the vacancy to be filled.
- (c) This clause will not apply when a trainee is filling a higher position for the purposes of training in accordance with the Operator Progression Program.
- (d) Employees temporarily filling positions of a lower classification will not have their pay reduced.
- (e) The upgrade rate shall be paid for Company-recognized holidays falling on days of rest which are preceded and followed by hours worked in the higher classification.
- 4.03 Employees assigned to a lower classification at their own request shall be reclassified and paid at the rate established for such lower classification.
- 4.04 (a) If a new classification is established which is not covered by the schedule of wages then in effect, the rate for such new classification shall be opened for negotiation between the Company and the Union within thirty (30) days. The Company may place into effect a temporary rate of pay pending negotiations of the rate to be established, and once the rate is established, it shall be made retroactive.
- (b) In the event the Union and Company are unable to agree on the appropriate rate for the new classification, the dispute shall be referred to step 4 under Clause 12.02 hereof, within thirty (30) days, to determine what classification and rate is appropriate for the work to be performed. Failure to agree or the reference to arbitration shall in no event preclude or delay the Company from placing the equipment in operation as above provided.
- (c) Any major expansion of plant equipment hereafter put into operation, which is to be operated by employees covered by the Agreement, shall be staffed and put into operation by using such classification(s) shown on Appendices "A" and "B" as the Company considers appropriate. Such staffing shall be accomplished by selecting an employee(s) from the appropriate classification(s). Before staffing the equipment, the Union will be notified of the aforementioned organizational status and if the classification(s) being used is not considered appropriate by the Union, the Union and the Company will meet and negotiate on the appropriate classification(s) for the personnel to be assigned to the operation. In the event the Union and the Company are unable to agree on the appropriate classification(s), the dispute shall be submitted to arbitration under Step 4, Article XII hereof, within thirty (30) days, to determine what classification(s) is appropriate to the work to be performed. Failure to

agree or the reference to arbitration shall in no event preclude or delay the Company from placing the equipment in operation as above provided.

- 4.05 The Company shall provide each payday an itemized statement of wages, including hours, rate, specified deductions, etc. The Company shall deposit each employee's net pay to the employee's personal bank account on payday, every second Friday. If a failure occurs in this deposit system, every reasonable effort will be made by the Company to ensure employees have cheques available on the payday.

ARTICLE V - HOURS OF WORK AND OVERTIME

DAY WORKERS

5.01 The following definitions apply to day workers:

- (a) A day is defined as a twenty-four (24) hour period beginning at the start of day shift defined as:
 - (i) 7:00 a.m. for 8 hours per day, 5 days per week schedule or
 - (ii) 7:30 a.m. for the 9.02 hours per day, 4 days per week schedule.
- (b) A week is defined as a seven (7) day period beginning at the start of day shift Monday [as per Article 5.01 a)].
- (c) Work schedules shall encompass a work week averaging thirty-six and one tenth (36.1) hours.
- (d) The normal hours of work for Day Workers shall be based on one of the following schedules:
 - (i) 8 hours per day, 5 days per week.
 - (ii) 9.02 hours per day, 4 days per week.

- 5.02
- (a) The normal work day shall be start of day shift [as per Article 5.01 a)] to 12:00 noon and 12:30 p.m. to the end of day shift. The normal work week shall be Monday to Friday. Work performed by day workers during their lunch period shall be paid for at the overtime rate and a thirty (30) minute lunch period, without pay, shall be granted as close to the lunch period as possible. The Company recognizes the principle of the rest period and will make it available to all employees.
 - (b) For employees working the schedule referred to in Article 5.01 d) (i), the Company and the Union will agree on twenty (20) pre-determined Fridays to be taken in the calendar year as days off without pay. Such Fridays will be selected so as not to conflict with Company-recognized holidays and shall not result in four (4) day weekends.
 - (c) Employees will be entitled to five (5) additional days off without pay during the vacation year, to be taken at their discretion subject to Company approval.

Employees will advise their Supervisors before April 1st each year as to their selection of their days off. These days off may be changed by either party with seven (7) days' notice.

- 5.03 The above Clauses 5.01 and 5.02 do not preclude temporary changes in work schedules to cover emergencies or unit turnarounds.
- 5.04 The Company will implement a system to provide equalized pay for Day Workers.
- 5.05 (a) Whenever Day Workers are required to work between 10:00 p.m. and 4:00 a.m., they shall not be required to return to their normal work within ten (10) hours of finishing such work. They will, however, be paid their regular eight (8) hours pay for that day if they return to work to complete the remaining hours on their shift. If they are not required to return to work to complete their regular shift, they will receive their regular pay for only the hours up to the point when the ten (10) hour period from finishing work has lapsed.
- (b) In the event they are required to work after the ten (10) hour period has lapsed and they fail to report they shall not receive any portion of their regular day's pay.
- (c) Whenever Shift Workers are required to work between 10:00 p.m. and 4:00 a.m. prior to the start of a regularly scheduled day shift, or between 10:00 a.m. and 4:00 p.m. prior to the start of a regularly scheduled night shift, they shall not be required to return to their normal work within ten (10) hours of completing such work. They will, however, be paid their regular twelve (12) hours pay for the day up to the point when the ten (10) hour period from finishing work has lapsed.
- (d) In the event they are required to work after the ten (10) hour period has lapsed and they fail to report they shall not receive any portion of their regular day's pay.

SHIFT WORKERS

- 5.06 The normal schedule for rotating shift work requiring one hundred and sixty-eight (168) hours per week coverage will be mutually agreed to by the Company and the Union. Such schedule shall be posted. No change in the normal schedules shall be made except by mutual agreement between the Union and the Company.

The shift schedule for the Operations department is attached as Appendix "D" - "Shift Schedule".

- 5.07 (a) Shift Workers are employees who are assigned to jobs which are scheduled on regularly rotating shifts.

The normal shifts are:

7:00 a.m. - 7:00 p.m.	Day shift
7:00 p.m. - 7:00 a.m.	Night shift

Other shifts or scheduled hours of work to care for turnarounds or emergencies may be assigned at the discretion of the Company.

- (b) A work week is the period between 7:00 a.m. on Monday and 7:00 a.m. on the succeeding Monday.
- (c) The day is defined as the twenty-four (24) hour period from 7:00 a.m. to the succeeding 7:00 a.m.
- (d) Work schedules shall encompass a work week averaging thirty-six and one tenth (36.1) hours.
- (e) Included with the 36.1 hour work schedule will be T-days. Every 70 day period shall include 24 hours of time to be scheduled in T-days of twelve (12) or eight (8) hour increments by the Company.
- (f) The Company recognizes the principle of the Rest Period in each shift and will make it available to all employees.
- (g) It is the intention that employees will not work more than twelve (12) hours in any day except in cases of emergency or unscheduled shutdowns.

5.08 A Shift Worker shall not cease work until properly relieved, without the authority of the employee's Supervisor.

5.09 Shift employees having the necessary qualifications may be allowed to trade shifts with mutual agreement between the Company and the Union provided the trade does not result in additional cost to the Company.

5.10 (i) Notwithstanding the heading SHIFT WORKERS, if employee's shift/schedule is changed by Management they shall be paid the overtime rate for all hours worked on the first shift of the new schedule unless the change has been made:

- (a) As an accommodation to the employee;
- (b) To return employee, within twenty (20) calendar days, to the original schedule which they worked prior to the change;
- (c) To enable the employee to receive a program of training;
- (d) In the event the first day of the new shift falls on a recognized Company holiday, the overtime rate will be paid on the next straight time shift worked.

Under this clause employees will be paid the premium rate for hours worked on all days of rest immediately prior to the first regular scheduled shift that the employee would have worked on the old schedule had the shift change not occurred. Shift changes made at the request of the Company will not be scheduled so as to cause an employee to lose regularly scheduled hours. However, employees who lose time through changes in shifts made at their own request will be allowed to make up time equal to that lost, within the following ten

(10) calendar days, provided that in no event shall premium rates be paid which would otherwise not be payable.

Notwithstanding the foregoing Clause 5.10 (i), the parties will work out mutually acceptable provisions different than the above, for scheduling Shift Workers to day work for the purpose of preserving employment during prolonged shutdowns.

(ii) Process Relief Operator 2 and Steam Relief Operator 3 – Scheduling

- a) As per the 70 day schedule as described in Appendix "D", Relief Operators "home" shift schedule will consist of three predetermined 12 hour days during each week of the 70 day schedule. As a "home" shift schedule, these predetermined days will remain constant during each week unless otherwise scheduled. Based on this "home" shift schedule, overtime will be paid as per Article 5.14 (with the exception of 5.14 e).
- b) In the case of a schedule change to a recognized shift schedule, a Relief Operator will be notified of such change at the latest on the Thursday of the previous week that the change will take effect. With this notice, a Relief Operator's new schedule will be as assigned for a specified time and Article 5.10 (i) of the Collective Agreement shall not apply to the schedule change and overtime will be paid in accordance with 5.14 (with the exception of 5.14 e) based on the assigned schedule. If notice of schedule change is not provided by the previous Thursday, Article 5.10 (i) will apply.
- c) Once a Relief Operator has been assigned to a schedule outside his/her "home" schedule as per Appendix "D" for a specified time period, changes within that time frame will be made in accordance with Article 5.10 (i). With the ending of the specified time period in (b), further schedule changes will be made in accordance with (b).
- d) Vacation for a Relief Operator will be scheduled in accordance with his/her "home" schedule as described in 5.10 (ii) (a).
- e) In the event of a schedule change in accordance with (b) above, the Relief Operator's schedule will be extrapolated to the end of the 70 day schedule. If the result is that the operator is being scheduled for more than 360 hours for the 70 day schedule, the excess hours will be paid at overtime rate at the time the schedule change commences.
- f) In the event of a schedule change in accordance with (b) above, the Relief Operator's schedule will be extrapolated to the end of the 70 day schedule. If the result is that the operator is being scheduled for less than 360 hours for the 70 day schedule, the deficit hours will be scheduled to ensure 360 hours worked. Deficit hours not scheduled to be worked by the last week

of the 70 day schedule may be declined by the Relief Operator and the Operator's pay will be decreased accordingly.

SHIFT DIFFERENTIAL DAY WORKERS

5.11 Day Workers when required to work shift hours, and those shift employees not assigned to a seven (7) day continuous rotating twenty-four (24) hour operations will receive a shift differential payment as follows:

<i>Hours Worked</i>	<i>Feb 1, 2001</i>	<i>Feb 1, 2002</i>	<i>Feb 1, 2003</i>
4 p.m. to midnight	\$1.09/hr	\$1.12/hr	\$1.15/hr
Midnight to 8 a.m.	\$1.86/hr	\$1.92/hr	\$1.98/hr

Under no circumstances will a day shift differential be paid.

SHIFT DIFFERENTIAL SHIFT WORKERS

5.12 (a) In addition to the base wages, shift workers will be paid the following shift differential:

	<i>Feb 1, 2001</i>	<i>Feb 1, 2002</i>	<i>Feb 1, 2003</i>
Day Shift	\$0.72 per hour	\$0.74 per hour	\$0.76 per hour
Night Shift	\$1.60 per hour	\$1.65 per hour	\$1.70 per hour

(b) Shift differential will not be included when computing overtime or pay for holidays not worked. For any overtime work performed, shift employees will be paid the applicable differential in addition to any other remuneration to which they are entitled.

(c) Employees who are assigned to seven (7) day continuous operation and rotate on a three (3) eight (8) hour shift basis, shall receive shift differential payments as follows:

<i>Hours Worked</i>	<i>February 1, 2001</i>	<i>February 1, 2002</i>	<i>February 1, 2003</i>
8 a.m. to 4 p.m.	\$0.51 /hour	\$0.53 /hour	\$0.55 /hour
4 p.m. to midnight	\$1.09 /hour	\$1.12 /hour	\$1.15 /hour
Midnight to 8 a.m.	\$1.86 /hour	\$1.92 /hour	\$1.98 /hour

(d) Employees when assigned to a regular day shift schedule will not receive the premium in (a) above.

OVERTIME

- 5.13 (a) With respect to overtime, the Union recognizes the Company's need to have sufficient qualified personnel available for overtime. The Company recognizes the individual employee's right to refuse, subject to sufficient qualified employees being available and willing to work.
- (b) Both parties recognize that the Company retains the right and responsibility to administer overtime work in a reasonable manner, in determining the amount of overtime, the number of employees required, and the necessary qualifications of the employees so engaged.
- (c) The Company will make every reasonable effort to keep overtime to a minimum.
- (d) If overtime is required in any progression, all qualified regular employees within that progression will be called/asked first. If unable to cover the overtime from within the progression, it will then first be offered to qualified employees from other progressions within the bargaining unit at the Company's discretion.
- (e) Subject to the provisions of the preceding paragraphs (a), (b), (c) and (d), in the event of a declared emergency, an employee, when notified, will be required to report to the Plant. An emergency is defined in Clause 5.15.
- (f) The Company will make every effort to equalize overtime amongst eligible employees through the utilization of rotational posted overtime list in a mutually agreed to format.
- 5.14 Employees shall be paid two (2) times their regular hourly rate:
- (a) For all hours worked on a Company-recognized holiday in addition to holiday pay provided under Clause 7.02;
- (b) For all hours worked on their days of rest;
- (c) For all hours worked on a regular work day outside their regular scheduled eight (8) hours (for day workers) or twelve (12) hours (for shift workers) or for hours worked in excess of thirty-six and one tenth (36.1) hours average per week through a complete cycle of their schedule except for straight time mutual trade hours;
- (d) For hours worked on a call out;
- (e) For hours worked on a shift or schedule change as provided in Clause 5.10.
- 5.15 Employees required to work outside their regular scheduled working hours and:
- (a) are required to return to the Plant after having left without being notified more than one hour prior to the end of their last shift, or
- (b) are required to continue beyond their scheduled hours of work without being notified thirty (30) minutes or more prior to the end of their scheduled hours,

then this is a call-out and the employee will be paid the overtime rate for the hours worked plus two (2) hours pay at the employee's straight time rate.

Call-outs will only be used in emergencies. An emergency is defined as any incident which will, in the Supervisor's opinion, lead to an interruption of service, or has led to an interruption of service or is unsafe.

- 5.16 Whenever the Company cancels assigned overtime employees shall receive two (2) hours straight time pay unless they are notified more than thirty (30) minutes before the completion of the last shift worked or scheduled to be worked. This provision will not apply when overtime cancellation is caused by another employee returning to work after sickness or other leave of absence.
- 5.17 Employees required to travel on Company business, outside their normally scheduled hours of work, shall be paid overtime rates for only the actual travel time. This will not be paid when travelling between the employee's home and usual place of work.
- 5.18 Under no circumstances shall an employee be entitled to be paid under more than one clause of this Article V in respect of the same hours worked except as provided for in Clauses 5.11, 5.12, 5.21 and the two hour call-out premium pay provision in Clause 5.15.
- 5.19 No employee shall be required to work more than sixteen (16) consecutive hours.
- 5.20 In the event employees are held over from their regular shifts by the Company, and do not have their own transportation available, the Company shall provide transportation to their home.
- 5.21 An employee will be supplied with an allowance of \$20.00 to purchase a meal to be eaten on Company time when the employee is required to work:
- (a) Two (2) hours or more beyond their normal stopping time,
 - or
 - (b) Outside their normal schedule and works past their normal meal time or for more than four hours, whichever shall first occur,
 - (c) Four (4) hours or more of scheduled overtime on a day of rest.
- Additional meal allowances will be supplied thereafter at four (4) hour intervals.
- 5.22 Notwithstanding any of the foregoing, where employees receive less than eight (8) hours notice of the need to report for work outside their normal schedule and while so working continues to work into their normal schedule and beyond the normal mid-shift meal, such meal shall be free of charge and in the case of Shift Workers shall be eaten on Company time and in the case of Day Workers shall be eaten on their own time.

5.23 Subject to the following conditions, employees are permitted to bank two (2) hours for each qualifying overtime hour worked;

(i) Employees will be allowed to bank up to eighty (80) hours at any time.

(ii) Scheduling of all banked overtime time off must be mutually agreed upon by the employee and the Company.

(iii) Banked overtime days off must be taken in whole days, not fractional days.

(iv) Vacation and training time shall take precedent over banked time off.

(v) If banked overtime off has been scheduled and work load requirements change the Company shall have the right to cancel the time off and reschedule at a mutually agreed time.

(vi) Employees will be permitted the opportunity to use up to eighty (80) hours of banked time at one time to attend Company approved training programs.

Shift workers will be permitted to bank overtime pay on the same basis as day workers. Shift workers will be permitted to take time off in lieu of T-days provided that there is no additional cost to the Company.

Scheduling of all banked overtime time off for shift workers must be mutually agreed upon by the employee and the Company, twenty one (21) days prior to the start of the next shift schedule.

ARTICLE VI - ANNUAL VACATION

6.01 For the purpose of this Article, the first vacation year is defined as the time from date of hire to and including April 30th.

6.02 The vacation anniversary date of all employees shall be established as at May 1st.

DAY WORKERS

6.03 All new employees shall be entitled to eight (8) hours vacation with pay for each month of continuous employment completed before May 1st up to a maximum of eighty (80) hours, to be taken prior to that May 1st.

6.04 Employees are entitled to one hundred and twenty (120) working hours vacation during the vacation years in which their 1st to 9th employment anniversaries occur.

6.05 Employees are entitled to one hundred and sixty (160) working hours annual vacation during the vacation years in which their 10th to 17th employment anniversaries occur.

- 6.06 Employees are entitled to two hundred (200) working hours annual vacation during the vacation years in which their 18th to 24th employment anniversaries occur.
- 6.07 Employees are entitled to two hundred and forty (240) working hours annual vacation during the vacation years in which their 25th and subsequent employment anniversaries occur.
- 6.08 Each day employee's vacation pay shall be the greater of:
- (a) Payment at the employee's regular rate, in effect immediately preceding the vacation, for all scheduled hours the employee would have worked had the employee not been on vacation;
- or
- (b) Payment of a percentage of the employee's total earnings during the period May 1 to April 30th of the current vacation year, calculated as follows:

<u>Length of Vacation</u>	
80 working hours or less	4%
120 working hours	6%
160 working hours	8%
200 working hours	10%
240 working hours	12%

SHIFT WORKERS

- 6.09 (a) All new employees shall be entitled to twelve (12) working hours vacation with pay for each month of continuous employment completed before May 1st, up to a maximum of eighty-four (84) working hours, to be taken prior to that May 1st.
- (b) Employees are entitled to one hundred and twenty (120) working hours vacation during the vacation years in which their 1st to 9th employment anniversaries occur.
- (c) Employees are entitled to one hundred and fifty-six (156) working hours vacation during the vacation years in which their 10th to 17th employment anniversaries occur.
- (d) Employees are entitled to two hundred and four (204) working hours vacation during the vacation years in which their 18th to 24th employment anniversaries occur.
- (e) Employees are entitled to two hundred & forty (240) working hours vacation during the vacation years in which their 25th and subsequent employment anniversaries occur.

Each shift employee's vacation pay shall be the greater of:

- (i) Payment at the employee's regular rate, in effect immediately preceding the vacation, for all scheduled hours the employee would have worked had the employee not been on vacation;

or

- (ii) Payment of a percentage of the employee's total earnings during the period May 1st to April 30th of the current vacation year, calculated as follows:

<u>Length of Vacation</u>	
84 working hours or less	4%
120 working hours	6%
156 working hours	8% of gross + 4 hours
204 working hours	10% of gross - 4 hours
240 working hours	12%

- 6.10 It is not permissible to waive vacation and draw double pay. If, at the request of the Company, employees agree not to take their vacation during the vacation year, the vacation will be rescheduled during the following vacation year at a time mutually agreed to.
- 6.11 When an employee is disabled by sickness or accident before or after vacation has commenced, the period of such disability, if satisfactorily verified, will be considered as an absence due to illness and excluded from vacations. Such employees will be granted a number of calendar days equal to the unexpired portion of their vacation, the time of such vacation to be mutually agreed to.
- 6.12 Employees who become disabled as a result of sickness, or accident before or after vacation has commenced to which they are entitled in any vacation year and continue to be disabled through the end of the vacation year, may carry their vacation privileges into the following vacation year providing at the time disability occurred they had been actively employed for a period of at least four (4) months following the termination of their last vacation period. The time of such deferred vacation shall be mutually agreed to.
- 6.13 When employees' services are terminated they shall be paid the vacation credits which have accrued to the date of termination.
- 6.14 (a) If employees leave the Company's employ before they have fully earned the vacation they have taken, the unearned vacation pay will be deducted from their final pay.

(b) Employees who commenced employment with Westcoast Energy Inc. prior to May 1, 1981 will, upon leaving the Company's employ, be entitled to that year's earned vacation plus one (1) full year's vacation pay.

6.15 Annual vacations shall be regulated and scheduled by a mutually agreed rotation plan without regard to seniority. Vacation requests must be submitted no later than two weeks prior to the posting of the tentative schedule.

6.16 (a) Notwithstanding Clause 6.15, should the Company decide to shut down the Plant due to low gas demand, and work is not available, employees will have the option of rescheduling their vacation to the shutdown period or accepting layoff during the shutdown period.

(b) If work is available and there are to be employees during the shutdown as Watchmen or any other work, the jobs will be open for bid and will be awarded to the senior applicants having the necessary skills for the work to be performed.

6.17 For the purposes of vacation pay, calculation of total earnings is defined as all monies or remunerations received during the vacation year which is subject to Federal or Provincial income taxation, with the exception of taxable benefits.

6.18 Upgrading from within the Bargaining Unit to cover Supervisor positions shall not affect the scheduling of annual vacations.

6.19 At the request of the employee and with the Company's approval, the employee's vacation or part thereof may be rescheduled to the following vacation year.

ARTICLE VII - COMPANY RECOGNIZED HOLIDAYS

7.01 (a) The Company will recognize the following holidays:

New Year's Day	Labour Day
Good Friday	Thanksgiving Day
Victoria Day	Remembrance Day
Dominion Day	Christmas Day
First Monday in August	Boxing Day

(b) Two (2) additional floating holidays per calendar year, to be taken within the calendar year. Employees shall notify the Company at least forty-eight (48) hours in advance of taking these floating holidays and such choice shall be subject to receipt of Company approval.

(c) In the event the Municipal, Provincial or Federal Governments legislate or name any new statutory holiday the parties to this Agreement agree one of the floating holidays shall be taken on that newly declared Government holiday.

- 7.02 Where a holiday occurs on employees' regularly scheduled work day, they shall be paid holiday pay at their regular straight time base rate for normally scheduled hours unless covered under Clause 4.02.
- 7.03 When a holiday occurs on employees' days of rest, they shall receive holiday pay at their regular straight time base rate for eight (8) hours (day workers) and twelve (12) hours for (shift workers).
- 7.04 (a) When a Company-recognized holiday falls on a Shift Workers' regularly scheduled day off which immediately precedes or follows, or is during a vacation period, the employee will be granted one (1) additional day off with pay in lieu of the recognized holiday, to be taken in conjunction with that vacation period, provided the employee works the regularly scheduled day before and the day following the vacation period.
- (b) When a Company-recognized holiday falls on a Shift Workers' regularly scheduled day of work and the employee has taken the day as a vacation day, the employee will be granted one (1) additional day off with pay in lieu of the recognized holiday, to be taken in conjunction with that vacation period.
- 7.05 Employees who fail to work when required to do so, on a Company-recognized holiday, without just reason, will not be paid for such holiday. An employee who is absent without permission or justifiable reason on either the day before or the day after a Company-recognized holiday, will not be paid for such Company-recognized holiday.

DAY WORKERS

- 7.06 A Company-recognized holiday will be observed over the twenty-four (24) hour period following 8:00 a.m. on the day on which it is publicly observed except when the holiday falls on a Saturday or Sunday in which case it will be observed on the following Monday. If two (2) Company-recognized holidays fall on a consecutive Saturday and Sunday then the preceding Friday and following Monday will be observed.

SHIFT WORKERS

- 7.07 A Company-recognized holiday will be observed over a twenty-four (24) hour period, starting at 8:00 a.m. on the calendar date on which the holiday falls.

ARTICLE VIII - LEAVE OF ABSENCE

- 8.01 An employee who is subpoenaed for jury duty or to appear as a witness shall be granted a leave of absence with pay providing the jury duty or witness fees are

remitted to the Company. This clause will not apply when an employee appears as a plaintiff or a defendant.

- 8.02 The Company shall grant up to a maximum of five (5) working days leave of absence, without pay, to any day employee and four (4) working days leave of absence, without pay, to any shift employee on one (1) occasion in any one (1) calendar year provided a qualified replacement, where required, is available and his/her replacement does not require additional overtime to be paid subject to the following additional conditions:
- (a) They will not be granted during prime vacation time June 1 to September 15th;
 - (b) They may be used to extend vacations outside the prime vacation period unless the granting of such leaves, causes interference with the vacation schedule.
 - (c) Written request is made fourteen (14) days in advance.
- 8.03 Upon written application of at least seven (7) days in advance, leave of absence without pay for Union business shall be granted, to not more than two (2) employees for a maximum period of thirty (30) working days each, unless it is impossible to do so due to inability to furnish qualified replacements from within the Plant. Leave to additional employees may be granted if conditions permit.
- 8.04 On written request of the Union, a leave of absence of up to one (1) year without pay, but without loss of seniority may be granted to one (1) employee in any calendar year for Union business, provided the request is made at least fourteen (14) calendar days in advance.
- 8.05 In application of Clauses 8.03 and 8.04 above, the Union shall determine what constitutes "Union Business".
- 8.06 (a) The Company will implement an unpaid sabbatical leave program. Each employee will be permitted to make application for unpaid sabbatical leave to the Company once every 5 years. Under this program an unpaid sabbatical leave of up to twelve (12) months must be applied for by the employee and the Company has sole authority to decide on the application. The employee shall apply at least ninety (90) days in advance of the commencement of the applied-for leave. The Company shall respond to the employee's application within thirty (30) days of receipt. The Company shall consider the following factors when considering applications for unpaid sabbatical leave:
- i) availability of a sufficient number of qualified employees to ensure continuity of the Company's operations,
 - ii) the number of other employees on leave, if any, particularly in the applicant's area of skills, knowledge and progression,
 - iii) availability and cost of qualified replacement personnel,

- iv) the date the request is received by the Company (all other things being equal the requests shall be considered on a first-come, first-serve basis.
 - v) Notwithstanding Article 3.02 (d), a temporary employee hired to provide coverage for a Sabbatical Leave may be employed for a maximum one (1) year period.
- (b) In addition to 8.06 (a) the Company will implement a prepaid sabbatical leave program funded solely by the employee. The program is provided to enable an employee to apply to take a one (1) year sabbatical leave following four (4) years of gross base earnings deferral. Under this program the employee must apply for the prepaid sabbatical leave and the Company has the sole authority to decide on the application. The employee shall apply to the Company six (6) months in advance of the commencement of the proposed gross base earnings deferral stating reason for the leave and the proposed commencement of the leave. The Company shall respond to the application at least four (4) months in advance of the commencement of the deferral. During the four (4) years of base earnings deferral, the Company shall deduct twenty (20) percent of the employee's gross base earnings. The Company shall pay the deducted pay amounts as a lump sum to the employee on the commencement of the leave.
- (c) When considering applications for prepaid sabbatical leave the Company shall consider the following factors:
- i) the anticipated impact of the leave on the Company's operations,
 - ii) the date the request is received by the Company.
- (d) If the employee is unable to take the approved planned leave, the employee is required to notify the Company at least six (6) months in advance of the commencement of the leave. The Company shall pay the deducted amounts as a lump sum to the employee within thirty (30) days of receipt of such notice.
- (e) If two or more employees submit a sabbatical leave application on the same day the order in which the Company shall consider such application shall be determined by lot.
- (f) An employee on sabbatical leave shall be considered unavailable for work during the leave.
- 8.07 (a) An employee who stands as an official party candidate for election to the House of Commons or a provincial legislative assembly, or an employee who acts as an official campaign manager for an official party candidate in a federal or provincial election, may apply for a maximum of six weeks leave of absence with pay immediately prior to the election date. An employee who is required to resign from the Company as a result of being elected will be given priority status for employment at the end of their term of office.
- (b) An employee who stands for election for municipal office may apply for a maximum of two weeks leave of absence with pay, immediately prior to the

election date. The amount of leave will be related to the size of the municipality involved.

If elected, the employee is expected to utilize off-duty hours as much as possible and time taken by the employee during hours of work shall be subject to prior approval by the employee's Supervisor. If the employee requires time off on a regular basis, approval of the appropriate Vice President is required. Should the requirement for time off exceed 10% of the employee's hours of work, approval of the President is required. There shall be no reduction of pay or benefits.

- 8.08 (a) When a death occurs in an employee's immediate family and requires an absence from work to attend the funeral, and other purposes related to the death, the employee will be granted a leave of absence with pay of up to five days. Extension of this leave may be granted in exceptional circumstances.
- (b) Immediate family shall normally be defined as spouse, child, parent, grandparent, brother, sister, grandchild, mother-in-law and father-in-law.

8.09 Employees who are members of a reserve component of a branch of the armed service may be granted a military leave of absence for temporary active duty or up to two weeks for field training. The Company will maintain regular pay less the amount of military pay and allowances. To qualify, the employee will submit a statement of military pay allowance with the request for leave of absence.

- 8.10 (a) To qualify for Maternity Leave, the employee must:
- (i) have completed six consecutive months of continuous employment with the Company;
 - (ii) apply, using Form 204, at least four weeks before the estimated commencement of the leave;
 - (iii) provide the Company with a certificate from her Doctor certifying she is pregnant; and
 - (iv) advise the Company in writing of the intended length of leave.
- (b) The maximum duration of a maternity leave will normally be seventeen (17) weeks beginning not more than the eleventh week immediately preceding the date of confinement. If the employee wishes to work beyond the sixth week immediately prior to her date of confinement, she must present the Personnel Department with weekly notification of medical safety from her Doctor. The employee may return to work six (6) weeks following the date of confinement. The employee and the Company may agree to an abbreviation of the six (6) week period if her Doctor certifies the resumption of employment will not, in his opinion, endanger the health of the employee.

An employee on maternity leave is entitled to unemployment insurance benefits. The Company will pay the equivalent of that employee's applicable short term disability benefit for the two week waiting period for unemployment insurance

benefits and will top up the unemployment insurance benefits to the applicable short term disability benefits for an additional six weeks. In order for these payments to commence the employee must provide the Company with proof of the child's birth and the employee's unemployment insurance payment stub.

- (c) An employee who resumes her employment on the expiration of leave granted to her in accordance with this section, shall be reinstated by the Company in a position occupied by her at the time the leave commenced or in a comparable position with not less than the same wages and benefits. An employee not resuming her duties after the seventeen weeks shall be deemed terminated, unless Parental Leave has been requested and granted.
- (d) For the purpose of calculating pension and other benefits, employment after the termination of Maternity Leave shall be considered to be continuous with employment before the commencement of the leave. Vacation days will continue to accrue during maternity leave, but days off for statutory holidays and Fridays off will not be accumulated.
- (e) Maternity leaves will be granted without pay.
- (f) To qualify for Parental Leave, the employee must:
 - (i) have completed six consecutive months of continuous employment with the Company;
 - (ii) using Form 204, apply at least four weeks prior to the estimated commencement of the leave;
 - (iii) provide the Company with a certificate from a Doctor certifying pregnancy, or a certificate from a recognized agency or appropriate legal documents confirming the adoption; and
 - (iv) advise the Company in writing of the intended length of leave.
- (g) The maximum duration of Parental Leave will be thirty-five (35) weeks. Parental Leave may be taken by either parent or both provided that the combined length of leave for both parents does not exceed the maximum thirty-five weeks and that both parents do not take leave at the same time.

The leave may start as follows:

- (i) on the day the child is born; or
 - (ii) on the day the child (adopted or newborn) comes into the actual care and custody of the employee; or
 - (iii) where an employee has taken maternity leave, immediately upon expiration of that leave.
- (h) An employee resumes employment on the expiration of leave granted in accordance with this paragraph shall be reinstated by the Company in a position occupied at the time the leave commenced or in a comparable position at the same location with not less than the same wages and benefits. An employee who does not resume their duties at the expiration of the leave shall be deemed terminated.

- (i) For the purpose of calculating pension and other benefits, employment after the termination of Parental Leave will be considered to be continuous with employment before the commencement of the leave. Vacation days will continue to accrue during Parental Leave, but days off for statutory holidays and Fridays off will not be accumulated.
- (j) Parental Leave will be granted without pay.

A pregnant employee is eligible for modified work at any time that her health or that of the unborn child may be at risk due to working conditions or requirements of her job.

A pregnant employee may continue to work until such time that her Doctor advises against it and confirms this in writing to the Company.

The employee may work part-time during the unpaid thirty-five weeks Parental Leave if this is mutually beneficial and agreeable to the Company and the employee. The rate of pay will be at the employee's regular rate of hourly pay.

It is agreed that Short Term Disability benefits will fully apply to any medical condition associated with the pregnancy of a female employee.

These standards contained in this Leave provision shall be considered the minimum standards, should any changes in Legislation or Company policies provide for policies benefits greater than these, such benefits shall be considered to form part of this Agreement.

ARTICLE IX - SECURITY PLANS AND BENEFITS

9.01 Those "Security Plans" and "Benefits" listed below shall be available to employees covered in this Agreement.

Any proposed changes in benefit coverage or cost sharing arrangements to members of the Union will be discussed with the Union and will only be made with the approval of the Union.

- (a) Group Life Insurance;
- (b) Short and Long Term Disability;
- (c) Retirement Plan;
- (d) Savings Plan;
- (e) Medicare and Extended Health Benefits;
- (f) Dental Plan.

Effective February 1, 1998 the Company agrees to implement a vision care program containing a maximum benefit level of \$250 for each dependent of the employee for each 24 month period. Dependent shall mean the spouse of the employee and each child of the employee under the age of 21 and, if the child is in full time studies, under the age of 25.

Effective February 1, 1998 the Company agrees to improve the orthodontics plan lifetime maximum to \$2500. Effective February 1, 1999 the Company agrees to improve the orthodontics plan lifetime maximum to \$3000.

Effective February 1, 1998 the parties agree that the following revisions will be made to the Extended Health Plan:

1. Where available to the employee and where other nongeneric drugs are not specifically prescribed, the Plan will cover the costs of generic drugs only.
2. Where available to the employee, a preferred vision supplier will be used by the employee for the purchase of eyeglasses.

9.02 The Union will be supplied upon request with the latest copies of Master Agreements pertaining to these benefits, and any changes thereto prior to proposed implementation time.

9.03 (a) Short Term Disability pay shall be handled in the following manner:

LENGTH OF SERVICE	YOU CAN RECEIVE	
	100% PAY	70% PAY
Less than 1 year	2 weeks	24 weeks
1 year but less than 2	4 weeks	22 weeks
2 years but less than 3	6 weeks	20 weeks
3 years but less than 4	8 weeks	18 weeks
4 years but less than 5	10 weeks	16 weeks
5 years but less than 6	12 weeks	14 weeks
6 years but less than 7	14 weeks	12 weeks
7 years but less than 8	16 weeks	10 weeks
8 years but less than 9	18 weeks	8 weeks
9 years but less than 10	20 weeks	6 weeks
10 years but less than 11	22 weeks	4 weeks
11 years but less than 12	24 weeks	2 weeks
12 years or more	26 weeks	0 weeks

- (b) Short Term Disability pay for twelve hour Shift Workers shall be handled in the following manner:

EXAMPLE: An employee with five (5) years of service is entitled to twelve (12) weeks full pay and fourteen (14) weeks at seventy percent (70%) pay.

FULL PAY: 12 weeks x 36.1 hours = 433.2 hours
(rounded off to thirty-seven 12 hour work days)

PART PAY: 14 weeks x 36.1 hours = 505.4 hours
(rounded off to forty-four 12 hour work days)

ARTICLE X - HEALTH AND SAFETY

- 10.01 The Company will make reasonable provisions for the safety and health of its employees during the hours of their employment. Such specialized protective devices and wearing apparel that the Company requires to be worn to protect the employees from injury shall be provided by the Company.
- 10.02 The Union recognizes its responsibility and shall co-operate with the Company in actively promoting employees to follow and observe Company safety.
- 10.03 The Company will provide and maintain lockers, lunchroom, and adequate washrooms and sanitary facilities. The Union will co-operate fully with the Company in the care of these facilities.
- 10.04 The Company will provide adequate first aid facilities and medical supplies in accessible parts of its premises and will encourage and foster qualified first aid instruction for its employees.
- 10.05 When employees suffer loss of time due to injury and qualify for Workers' Compensation payments, the Company shall continue to pay employees their regular rate of pay. Payments made by the Workers' Compensation Board shall become the property of the Company. This provision will apply until each recipient case is finalized by the Workers' Compensation Board, but will not exceed one (1) year.
- 10.06 (a) An Occupational Health, Safety & Environmental Committee of at least six (6) members shall be established.

The Union and Company shall each appoint an equal number for membership on the Committee. The Occupational Health, Safety & Environmental Committee will establish its own meeting procedures and programs which will be consistent with the B.C. Workers' Compensation Accident Prevention Regulations. In addition the Occupational Health, Safety & Environmental Committee will actively participate in safety and accident investigations. The Company will make

available to the Occupational Health, Safety & Environmental Committee pollution and environmental regulations pertaining to the plant.

- (b) All relevant information known to Company Management concerning the identity of chemicals manufactured or used in any process at the Plant, with the exception of all chemicals and substances coming into the Plant in the raw gas, will be provided to the Occupational Health, Safety & Environmental Committee.

The Occupational Health, Safety & Environmental Committee shall also be advised of Health and Safety hazards known to be associated with such chemicals and of the precautions to be taken in the use or handling of same. The Company will also ensure this information is posted and available to all employees.

10.07 If a recommendation of the Occupational Health, Safety & Environmental Committee is not implemented by the Company in a reasonable period of time, the Union appointees may refer the matter to the Fort St. John Area Manager. The Area Manager will immediately consider the matter and give a reply to the Committee.

10.08 No employee will be required to perform a work activity that is unreasonably dangerous. If an employee is ordered to perform a work activity and has justifiable reason to believe the work activity to be unreasonably dangerous, he may refer the matter to those procedures as specified under the McMahon Plant Refusal to Work Procedure 2B (*see attached Addendum*).

10.09 The Company will appoint, during the turnaround period, a turnaround safety person with the following qualifications:

- (a) must be fully versed as an operator in the area being covered;
- (b) must be fully trained and competent in all phases of the Company's safety standards, practices and the use of all safety equipment and be fully knowledgeable of the safeworks procedure manual.
- (c) must be responsible for issuing safe work permits for the area being covered. The turnaround safety person shall receive 110% of the Process/Steam Operator 1 rate during the turnaround period.

10.10 Job descriptions and rates of pay for the safety related positions shall be as follows:

Safety Watch - Vessel entry, sour job standby or firewatch as described in the Company's Safe Work Procedure Manual. Persons carrying out this work will be paid at their regular rate of pay

Turnaround Safety Person - As per Clause 10.09 of the Collective Agreement.

The Turnaround Safety Person's duties will be:

- (a) Review the turnaround work list and work schedule with the Maintenance Planning Department. Be familiar with all work planned for the area during the

Turnaround period. This information will normally be provided by the Work Lists issued by the Maintenance Scheduler and Planner.

- (b) Ensure that the "MASTER BLIND LIST" for the area has been prepared, is kept up-to-date and posted in a conspicuous place in the area.
- (c) Be aware of the work progress in the Turnaround Safety Person's area and keep their copy of the "Work And Valve Lists" marked up-to-date.
- (d) Maintain close contact with the Planner and ensure that all equipment scheduled for work the following day is ready and in a safety condition and that all material is on site to complete the work.
- (e) Maintain constant surveillance of the Turnaround Safety Person's area ensuring that safe conditions are being maintained and safe work practices are being followed.
- (f) Issue all Safe Work Permits for the area, ensuring that the Permits are issued in a timely manner, minimizing Maintenance lost time.
- (g) Have full authority to stop all work in the event of unsafe conditions occurring.
- (h) Attend daily turnaround planning meetings and coordinate work with safety personnel.
- (i) Review start up and shut down procedures to ensure that they are adequate.

ARTICLE XI - UNION STEWARDS AND COMMITTEES

- 11.01 (a) The Company agrees to recognize a Union Bargaining Committee of four (4) employees, one of whom shall be Chairman of the Committee. They may be accompanied by duly authorized representatives of the Communications, Energy and Paperworkers Union.
- (b) The Union will notify the Company, in writing, at the beginning of each contract year, and thereafter as changes are made, of the names of the Union Committee members and the Chairman of the Committee.
- 11.02 The Company will recognize six (6) Stewards and one (1) Chief Shop Steward. To provide a minimum of interference to production the Parties agree to the following rules of conduct for duly elected stewards:
 - (a) Stewards will be allowed a reasonable time during working hours for the investigation of a grievance and a dispute.
 - (b) If Stewards wish to be released to investigate a grievance, they will inform their Supervisors of the nature and the place of the grievance.
 - (c) Stewards who are investigating a grievance will note this fact on their daily time card.

Upon returning to their own department, they will notify their foreman who will verify the daily time card and authorize payment to ensure no loss of pay for regular scheduled hours.

- (d) Upon entering a department other than their own, Stewards will inform the Supervisor of that department of the nature of the grievance they are investigating.
- (e) It is mutually agreed there will be no abuse or excessive use of time spent investigating grievances.
- (f) When members of the Bargaining Committee or Stewards who are off duty are required to attend to Union business within the Plant, they shall obtain approval of the Plant Manager, or the Plant Manager's designee, before entering the Plant to attend to such business.

11.03 The Union will designate a committee of two (2) members who with the Bargaining Unit Chairperson or designee, will represent the Union for the purpose of monthly meetings with the Company, for discussions on matters of mutual interest.

11.04 As far as practicable, all meetings between the Company and Union Representatives will be held during working hours. No employee shall suffer loss of pay for regular scheduled hours by reason of attending such meetings.

11.05 In the event of a meeting between a Supervisor and an employee to discuss a matter which may result in disciplinary action, the Supervisor will inform the employee of the possibility that the meeting may result in disciplinary action being taken, and Steward representation will be considered a right of the employee if so desired. Supervisors and employees may meet to discuss any matter not involving disciplinary action without the presence of a Steward.

ARTICLE XII - GRIEVANCE PROCEDURE AND ARBITRATION

12.01 All time periods specified in this Article are exclusive of regular days of rest and Company-recognized holidays. Time periods may be extended by mutual agreement between the parties. Extension of the time period shall be granted or denied by either party within two (2) days of the request and the time required for the reply will be added to the time period in question. All requests and replies shall be made in writing.

12.02 (a) Employees who feel they have been unfairly treated shall take up their complaint in the following manner:

Step 1. Discuss with the immediate Supervisor with or without their Steward within ten (10) days of the date of occurrence or the date they were first aware of, or reasonably could have been aware of, the occurrence. The immediate Supervisor shall give their answer within three (3) days.

Step 2. In the event a settlement cannot be reached in Step 1, the matter shall be presented in writing to the immediate Supervisor within three (3) days of the Supervisor's previous decision. The Supervisor shall render a decision in writing within three (3) days.

Step 3. In the event settlement cannot be reached in Step 3, the matter shall be referred to the Union Committee. If the Union Committee feels that the employee's complaint is justified, the matter will be presented in writing to the Plant Manager within ten (10) days of the Department Supervisor's decision. The Plant Manager or the Plant Manager's delegated authority shall meet with the Union Committee to discuss the grievance and shall render a written decision within five (5) days of the meeting with the Union Committee.

- (b) In respect of any grievance involving a group or groups of employees, the grievance procedure may be commenced at the step involving the designated official of the Company having jurisdiction over the employees affected or the subject matter concerned.
- (c) All time periods specified in Steps 1 and 2 may be extended by mutual agreement.

12.03 Any grievance, question or matter which has proceeded through the procedures set forth above and is not settled to the satisfaction of both parties to this Agreement, may be submitted to a single Arbitrator, as is mutually agreed upon by the parties, or, upon mutual agreement of the parties, to a Board of Arbitration upon written notification by either party to the other. Such notification shall be given within thirty (30) days of the completion of the procedure taken above, otherwise the Plant Manager's decision shall become final and binding.

12.04 Where either party to this Agreement requests that a grievance, question or matter be submitted to arbitration, that party shall make such request in writing, addressed to the other party to this Agreement within the time limit prescribed in Clause 12.03 above and, in the case of a Board of Arbitration, at the same time nominate an Arbitrator. The notice shall state the matter at issue and in what respect the Agreement has been violated or misinterpreted by reference to the specific clause or clauses relied upon. The notice shall also state the nature of the relief or remedy sought.

12.05 Upon mutual agreement to a Board of Arbitration as referred to in Clause 12.04 the other party will nominate an Arbitrator within five (5) days. Should such party fail to appoint an Arbitrator within five (5) days, the first party may request the Federal Minister to appoint such an Arbitrator.

12.06 The two (2) Arbitrators so nominated shall meet within five (5) days and shall attempt to select by agreement a third member who shall act as Chairperson of the Arbitration Board. If they are unable to agree upon the selection of a Chairperson within a further

period of five (5) days, the Federal Minister of Labour shall be asked to name an impartial Chairperson.

- 12.07 The Arbitrator or Board of Arbitration should commence its hearings on the matters presented to it as soon as possible after the appointment of the Board's Chairperson or a single Arbitrator.
- 12.08 The Arbitrator or Board of Arbitration shall have the authority to determine whether the case before it is in fact a matter for Arbitration.
- 12.09 The Arbitrator or Board of Arbitration shall have the authority only to interpret the existing provisions of this Agreement and apply them to the specific facts of the grievance or dispute.
- 12.10 The Arbitrator's or Arbitration Board's decision shall be in writing and shall be final and binding upon the parties to this Agreement and upon any employee affected by the decision. The decision of the majority shall be the decision of the Arbitration Board.
- 12.11 Each party shall bear the expense of its nominee. The fees and expenses of the Chairperson shall be shared equally between the parties.
- 12.12 In the event employees are discharged or suspended and feel they have been unfairly treated, they shall file their appeal in Step 3 of the grievance procedure within seven (7) days.
- 12.13 In the event the Company disciplines any employee, it will furnish the employee and the Union with pertinent written reasons for such discipline.
- 12.14 The Company will take any disciplinary action against an employee within ten (10) days worked of the offense being discovered by the Company.

In the event an employee is suspended without prejudice, each regularly scheduled work day spent on suspension shall be considered a day worked for purposes of this clause. This time constraint will apply from the time the Company is able to contact the said employee to advise them that disciplinary action will be taken.

- 12.15 It is understood that a National Representative may accompany members of the Union Grievance Committee to any, or all, of the Union Grievance Committee's meetings with the Management. The National Representative may call upon members of the Union, in reasonable numbers, to accompany him to meetings of the Union Grievance Committee with the Management for that period of time only to give testimony.

ARTICLE XIII - MISCELLANEOUS

- 13.01 VALIDITY - If any of the provisions of this Agreement shall be held invalid by any body of competent jurisdiction such action shall not invalidate the other provisions hereof, and the parties shall confer within a reasonable time after such action for the purpose of considering a new provision or provisions in lieu of the provision or provisions invalidated.
- 13.02 All written Notices herein provided shall be delivered by hand or by depositing in duplicate in Her Majesty's Mail in a sealed envelope, registered, postage paid, and addressed as follows:

Westcoast Energy Inc.

P.O. Box 90

Taylor, B.C. V0C 2K0

Communications, Energy and Paperworkers Union of Canada (CEP)

Local 686B

P.O. Box 609

Taylor, B.C. V0C 2K0

Delivery by hand shall be to the Plant Manager and Unit Chairperson or Recording-Secretary of the Union.

- 13.03 The Company agrees to pay for the expense of washing five (5) pair of coveralls and five (5) sets of work clothes per employee per week.
- 13.04 (a) The Company will supply a fire retardant winter parka or insulated coveralls in lieu thereof to regular employees on an as required replacement basis.
- (b) The Company will supply fire retardant work pants and work shirts, or coveralls in lieu thereof, on an as required replacement basis.
- (c) The Company will contribute, to a maximum of \$170.20 effective February 1, 2001, once a year toward the purchase of a pair of CSA approved safety-toed shoes, boots or winter boots.
- An employee may use up the current and following year's allowance to purchase both summer and winter boots or buy a more expensive pair of boots in one year.
- The Company will replace, to a value as stated above, an employee's safety footwear if it is damaged through exposure to elements in the workplace.
- (d) Temporary employees will be entitled to section (c) above, upon completion of three (3) months of service.

- 13.05 The Company agrees to schedule up to one (1) hours' time for a member of the Union executive to present the Union's Orientation Program to all new employees who are covered by the terms of this Collective Agreement.
- 13.06 The Company will provide filing cabinets for the sole use of the Union.
- 13.07 As an incentive for employees of the McMahon Plant/Taylor Operations to obtain and continually upgrade their BC Power Engineering certification qualifications, a monthly premium pay program is in effect.

Monthly Premium Program:

The following monthly premium payments will be made:

- (a) \$54.91 per month will be paid to employees who have both a B.C. 3rd Class Power Engineering Ticket and one or more years of Company service.
- (b) A total monthly premium of \$148.23 will be paid to employees who have both a B.C. 2nd Class Power Engineering Certificate and one or more years of Company service.
- (c) Employees who have both a B.C. 1st Class Power Engineering Certificate and one or more years of Company service will receive the maximum \$175.68 monthly premium.

ARTICLE XIV - STRIKE AND LOCKOUT

- 14.01 There shall be no strike on the part of the Union and no lockout on the part of the Company during the period of this Agreement.

ARTICLE XV - JOB SECURITY

- 15.01 (a) Subject to the provisions below, the Company will not contract work normally performed at the Plant by employees covered by this Agreement if the necessary equipment and qualified employees are available within the Plant to properly perform such work in the required time.

This section does not apply to:

- (i) New construction contracts;
- (ii) Extensive major repairs to operating units;
- (iii) Janitorial work;
- (iv) Equipment turnarounds.
- (v) Sabbatical leaves

- (b) In the event that it is necessary to contract out work in accordance with this Clause 15.01, the Company shall inform the Union as to the number of contract employees involved, the work the contract employees will be performing, and the estimated duration of the work and the reasons for the contracting requirements.
- (c) Performance of work for the Company by the contractors at this location will not serve to alter any right an employee has under the terms of this Agreement, nor cause the lay-off of any employee in the Bargaining Unit.
- (d) The Company will create work schedules which will enable them to carry out maintenance work including the maximum amount of equipment turnaround work possible subject to the availability and qualifications of an employee to do the turnaround work required and also subject to ensuring that sufficient Company employees are available to do all maintenance work during and following the turnaround. Where contractor's employees are used to perform Plant turnaround work and are scheduled to work extended work hours, Company employees required to perform turnaround work will be offered the opportunity to work the same work schedule as the contractor's employees.
- (e) The maximum number of contractors performing normal routine plant maintenance shall be one less than the bargaining unit maintenance complement.

It is further understood that short term increases in the contract maintenance complement for specific projects are covered under 15.01 (a)(ii).

15.02 SUPERVISORS DOING WORK - Supervisors will not do work assigned to employees covered by the classifications in the Collective Bargaining Agreement except:

- (a) in emergencies;
- (b) in the instruction of employees;
- (c) in the experimental work and performance tests which require special techniques and knowledge.

15.03 (a) The Company shall notify the Union six months in advance of intent to:

- (i) institute changes in working methods or facilities,
- (ii) close or partially close the plant, or
- (iii) permanently reduce the workforce

if such action will result in the layoff or termination of any employee covered by this Collective Agreement.

Such notice shall be in writing and state:

- (i) the nature of the technological change
- (ii) the effective date of the change

- (iii) the approximate number of employees to be affected by the change
- (iv) the effect the change is likely to have on the terms and conditions or security of employment of the employees affected
- (v) the rationale of the change
- (vi) other such information required by regulations made pursuant to the Canada Labour Code.

Upon giving such notice, the Company will meet the Union to discuss the impact and alternatives available to resolve the issues arising from these changes.

Failure to resolve any issues under this Article by the parties may be referred for resolution under the relevant section of the Canada Labour Code.

- (b) The Company agrees to participate in training and retraining any employee laid off.
- (c) Any employee covered by this collective agreement who is laid off, or terminated, under the terms of this Article shall be entitled to severance pay in accordance with the following schedule, provided the employee forfeits the right to recall:
 - (i) the amount of severance pay required by applicable Employment Standards legislation, or
 - (ii) an amount equivalent to not less than two week's pay plus two week's pay for each completed year of continuous service. The "2&2 Formula" includes any statutory requirements. Severance pay for a partial year of service will be calculated on a prorated basis.

The Company will take into consideration all applicable legislation and regulations in an effort to provide the employee with the greatest flexibility in the payment of severance pay.

- (d) In the event an employee is downgraded due to a change in the working methods or facilities, rate protection will be as follows:
 - (i) Employees who remain in their line of progression will have their existing rate maintained until the rate for the classification in which they are placed equals the protected rate;
 - (ii) Employees who are placed outside their line of progression will have their existing rate protected .
- (e) To qualify for rate protection, employees must:
 - (i) Successfully complete any training/retraining program to which they are assigned;
 - (ii) Perform work to which they are assigned and qualified to perform;
 - (iii) Use normal bidding procedures, wherever available, to return to equal or better than their former classification.
- (f) Employees transferring to another Westcoast Energy Inc. plant (which is certified by the Communications, Energy and Paperworkers' Union) due to a plant closure,

partial plant closure or change of methods or facilities, will be entitled to rate protection in accordance with the above sections (d) and (e). It is further understood the protected rate for their classification will be no greater than the corresponding classification of the new location.

15.04 Any employee covered by this Agreement who is terminated due to Plant Closure, partial Plant closure or workforce reduction shall be given six (6) months' notice of such termination. It is agreed that this notice period will apply to all affected employees collectively. Such notice will be provided to each affected employee individually.

ARTICLE XVI - PERIOD OF AGREEMENT

16.01 The parties agree that this Agreement shall be renewed for the period of three (3) years from February 1, 2001 to January 31, 2004.

This Agreement shall also remain in full force and effect from year to year thereafter unless either party gives notice in writing at any time within from (4) four months immediately preceding the date of expiry, of its desire to amend or terminate this Agreement or enter into negotiations for the purpose of amending the Agreement. If notice to amend or terminate is given under this provision, the parties will meet within fourteen (14) days after the date of notice to negotiate and attempt to reach a new agreement before this Agreement terminates.

IN WITNESS WHEREOF the parties have caused these presents to be executed this December 11, 2001.

WESTCOAST ENERGY INC.

Al Laundry
Bill Cooling
Mitch Green
Al Karasiuk

COMMUNICATIONS, ENERGY AND PAPERWORKERS UNION OF CANADA

LOCAL 686B
Jan Mendrek
Brock McClarty
Grant Truscott
Les Pearsall

COMMUNICATIONS, ENERGY AND PAPERWORKERS UNION OF CANADA

Bill Peterson

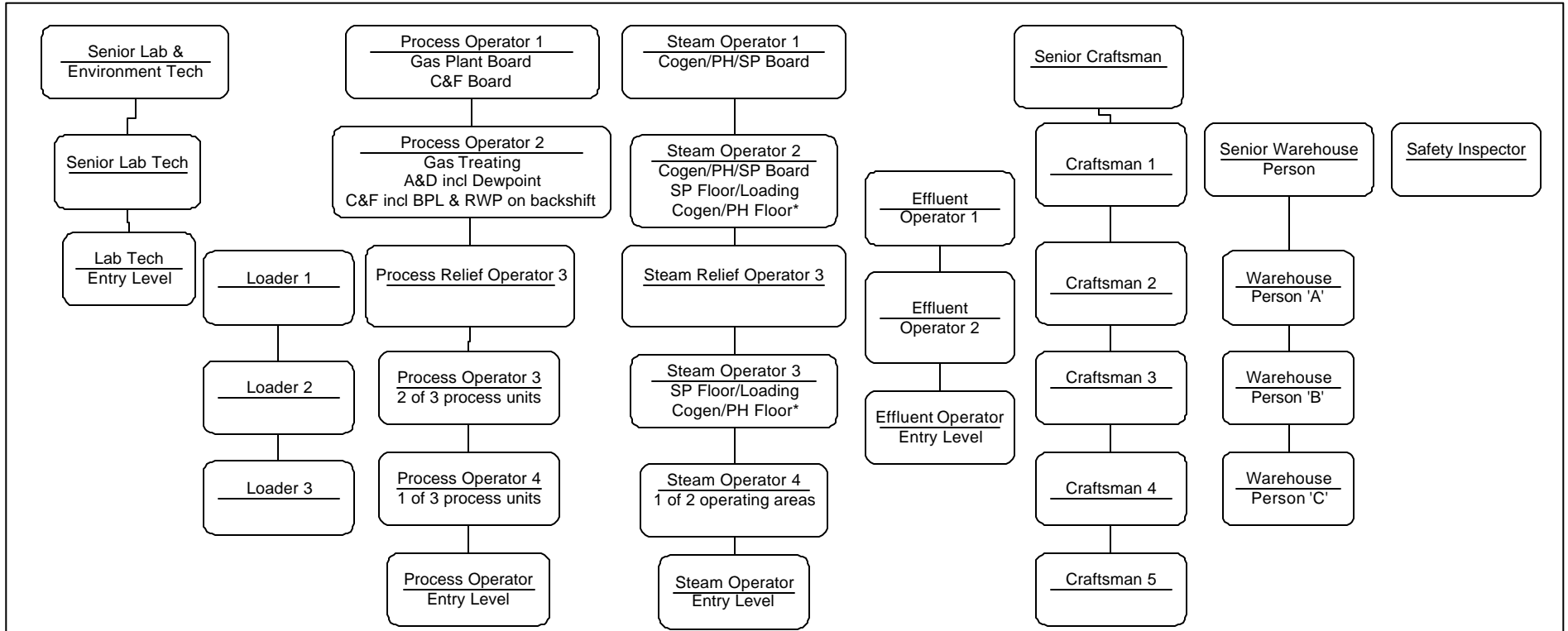
ARTICLE 17 - TRAINING

- 17.01 The Company and the Union recognize the need for training opportunities to enable each employee in a Line of Progression to improve his knowledge and skills to equip himself for future positions of greater responsibility for which he is eligible for in his Line of Progression (LOP). It is also recognized that it will not be a requirement of the operation that all employees in a LOP be qualified to the highest level within the Progression to meet the operating requirements of the operation. In the case that insufficient employees are meeting the forward training requirements of the LOP and gaining the required qualifications, the Company may assign the required junior employee(s) not meeting the requirements to a vacant position for which he/she is qualified elsewhere in the Bargaining Unit. In the event the Company determines that there is no applicable vacancy to assign an employee(s) to, the employee(s) will be provided notice in accordance with Article 15.04 and recall rights will be in accordance with the Collective Agreement.
- 17.02 Notwithstanding the assignment of an employee(s) above, any vacancy that cannot be filled from within the LOP because insufficient employees are meeting the forward training requirements of the LOP and not gaining the required qualifications may be posted and may result in an outside hire as per Article 3.10. In the case of the Steam Operator LOP, the Company may post the vacancy and ultimately outside hire as per Article 3.10 in order to obtain the required Power Engineering Certification(s). In this case the employee will be placed in the Steam Operator classification based on the Power Engineering Certification and will backtrain on any outstanding qualifications required for the classification.

APPENDIX A - Wage Schedule

Classification	February 1, 2001			February 1, 2002			February 1, 2003		
		Level 1	Level 2		Level 1	Level 2		Level 1	Level 2
Process LOP									
Process Operator 1	33.70	34.71		34.71	35.75		35.75	36.82	
Process Operator 2	30.84	31.77		31.77	32.72		32.72	33.70	
Process Relief Operator 2	32.27	33.24		33.24	34.24		34.24	35.26	
Process Operator 3	27.98	28.82		28.82	29.68		29.68	30.57	
Process Operator 4	25.11	25.86		25.86	26.64		26.64	27.44	
Process Operator Entry Level	22.24	22.91		22.91	23.60		23.60	24.30	
Steam LOP									
Steam Operator 1	33.70	34.71		34.71	35.75		35.75	36.82	
Steam Operator 2	32.06	33.03		33.03	34.02		34.02	35.04	
Steam Relief Operator 3	32.27	33.24		33.24	34.24		34.24	35.26	
Steam Operator 3	30.41	31.32		31.32	32.26		32.26	33.23	
Steam Operator 4	28.75	29.61		29.61	30.50		30.50	31.42	
Steam Operator Entry Level 3rd Class	27.10	27.91		27.91	28.75		28.75	29.61	
Steam Operator Entry Level 4th Class	24.54	25.28		25.28	26.03		26.03	26.82	
Maintenance LOP									
Senior Craftsman	32.10	33.06	34.71	33.06	34.05	35.75	34.05	35.07	36.82
Craftsman 1	30.44	31.35		31.35	32.29		32.29	33.26	
Craftsman 2	28.89	29.75		29.75	30.65		30.65	31.57	
Craftsman 3	26.97	27.78		27.78	28.61		28.61	29.47	
Craftsman 4	25.35	26.11		26.11	26.89		26.89	27.70	
Craftsman 5	23.43	24.14		24.14	24.86		24.86	25.61	
Effluent LOP									
Effluent Operator 1	29.68	30.57		30.57	31.49		31.49	32.44	
Effluent Operator 2	27.10	27.91		27.91	28.75		28.75	29.61	
Effluent Entry Level	22.24	22.91		22.91	23.60		23.60	24.30	
Warehouse LOP									
Sr. Warehouseperson	31.07	32.00	33.56	32.00	32.96	34.56	32.96	33.95	35.60
Warehouseperson A	25.31	26.06		26.06	26.85		26.85	27.65	
Warehouseperson B	23.86	24.57		24.57	25.31		25.31	26.07	
Warehouseperson C	22.37	23.04		23.04	23.73		23.73	24.44	
Loading LOP									
Loader 1	27.10	27.91	29.26	27.91	28.75	30.14	28.75	29.61	31.05
Loader 2	23.78	24.50		24.50	25.23		25.23	25.99	
Loader 3	22.47	23.14		23.14	23.84		23.84	24.55	
Safety									
Safety Inspector	31.07	32.00	33.56	32.00	32.96	34.56	32.96	33.95	35.60
Laboratory LOP									
Sr. Lab & Environmental Tech.	32.10	33.06	34.66	33.06	34.05	35.70	34.05	35.07	36.77
Sr. Lab. Tech.	29.18	30.05		30.05	30.95		30.95	31.88	
Jr. Lab. Tech	22.24	22.91		22.91	23.60		23.60	24.30	

Appendix B - Progression Chart



Notes:

* Responsible for flare and effluent areas on the backshift.

- Employees in the Steam Operation Line of Progression will be assigned to provide absence coverage for the Effluent Operators.
- Relief Operator vacancies may be posted and will be awarded to the senior qualified applicant.
- If there is no successful candidate for such a posting, the least senior Process Operator 2 or the least senior Steam Operator 3, from the respective Line of Progression, will be assigned to the vacancy.
- Relief Operators, by seniority, will be provided first opportunity for vacancies within their respective Line of Progression.

APPENDIX C - SHIFT PROVISIONS

- (a) The regular hours of work for all employees on shift shall average 36.1 hours per week on a 70 day basis.
- (b) The shift schedule shall be:
 - (i) 5 shifts (crews).
 - (ii) two (2) consecutive working days followed by two (2) consecutive working nights followed by six (6) days off.
 - (iii) two additional shifts worked in each 70 day period.
 - (iv) Relief Operator schedule.
- (c) All scheduled days or nights must be "fixed" for the full 70 day schedule period or provisions in Clause 5.10 shall apply.

APPENDIX E - POWER ENGINEERING - STUDIES AND EXAMINATIONS

The Company will reimburse employees for expense of tuition and books upon successful completion of recognize courses of studies.

These provisions will not limit the availability of other "educational assistance" which may be available through the Company's Policies and Procedures, such as P & P 4-119 (86-10-09)

Employees Writing Examinations Under the B.C. Boilers Act

Subject to prior approval, the employee will be reimbursed for the following expenses where incurred and in respect of sitting for a first examination for steam certification:

- 1) Return airfare to the nearest examining location.
- 2) Reasonable hotel, meal and other expenses necessary to the examination for competency.
- 3) The employee will not lose regular pay as a result of sitting for the examination.

In the case of failure to pass the examination, reimbursement of expenses on subsequent attempts shall be at the discretion of the Company.

APPENDIX F - MINIMUM QUALIFICATIONS

PROCESS OPERATIONS LINE OF PROGRESSION

Process Operator 1

Grade 12 education or equivalent technical training. Direct other operators in their duties. Must be fully familiar with the theory and operation of the Gas Plant/C&F board. To operate this board the operator must be fully familiar with the theory and operation of all outside units that are under the control of that board. The four areas are Gas Treating, Absorption/Dehydration (including Dew Point Controls), Condensate/ Fractionation (including BPL Storage / Truck loading facilities). Must have successfully completed all levels of the SAIT* Gas Processing course. Must possess a valid Class 5 driver's license.

Process Operator 2

Grade 12 education or equivalent technical training. Direct other operators in their duties. Must be fully familiar with the theory and operation of Gas Treating, Absorption/Dehydration (including Dew Point Controls), Condensate/Fractionation (including BPL Storage / Truck loading facilities). Must have successfully completed all levels of the SAIT* Gas Processing course. Must possess a valid Class 5 driver's license.

Process Relief Operator 2

Grade 12 education or equivalent technical training. Direct other operators in their duties. Must be fully familiar with the theory and operation of Gas Treating, Absorption/Dehydration (including Dew Point Controls), Condensate/Fractionation (including BPL Storage / Truck loading facilities). Must have successfully completed all levels of the SAIT* Gas Processing course. Must possess a valid Class 5 driver's license. Must perform warehouse and safety related duties such as:

* Employees on the payroll as of the date of ratification of this Collective Agreement will meet the requirements of this qualification (SAIT) if they have been previously qualified at level one of the SAIT Gas Processing Course or had a Fourth Class Power Engineering Certification.

Warehouse Backfill

- Work with maintenance so that stock items and levels meet the needs of the Plant
- Ensure inventory and QC of goods received
- Ensure inventory accuracy
- Operate lift trucks safely
- Ensure storage of inventory appropriate for control and preservation of stores
- Has TDG certification

Safety Backfill

Act as a professional resource to the Plant by providing information and advice to:

- OHS&E Committee and all subcommittees

- To support Safety meetings
 - Management and all other plant groups
 - Audit Safety Performance
 - Assess Contractor safety compliance
 - Understands the applicable WCB and Labour Canada legislation governing safety at the Plant
- Maintain, and participate in the establishment of standards for and control of safety equipment
 - Capable of providing basic safety training, orientation and Fit Testing for employees and contractors

Process Operator 3

Grade 12 education or equivalent technical training. Direct other operators in their duties. Must be fully familiar with the theory and operation of two of the three areas as defined in Process Operator 2. Must have successfully completed two levels of the SAIT* Gas Processing course. Must possess a valid Class 5 driver's license.

Process Operator 4

Grade 12 education or equivalent technical training. Direct other operators in their duties. Must be fully familiar with the theory and operation of one of the three areas as defined in Process Operator 2. Must have successfully completed one level of the SAIT* Gas Processing course. Must possess a valid Class 5 driver's license.

Process Operator Entry Level

Grade 12 education or equivalent technical training. Must possess a valid Class 5 driver's license.

* Employees on the payroll as of the date of ratification of this Collective Agreement will meet the requirements of this qualification (SAIT) if they have been previously qualified at level one of the SAIT Gas Processing Course or had a Fourth Class Power Engineering Certification.

STEAM OPERATIONS LINE OF PROGRESSION

Steam Operator 1

Grade 12 education or equivalent technical training. Direct other operators in their duties. Must possess a Second Class Power Engineering Certificate valid in BC. Must be fully familiar with the theory and operation of the Cogen/Powerhouse/Sulphur Plant board, Cogen/Powerhouse floor and Sulphur Plant floor/loading facilities. Must possess a valid Class 5 driver's license.

Steam Operator 2

Grade 12 education or equivalent technical training. Direct other operators in their duties. Must possess a Third Class Power Engineering Certificate valid in BC. Must be fully familiar

with the theory and operation of the Cogen/Powerhouse/Sulphur Plant board, Cogen/Powerhouse floor and Sulphur Plant floor/loading facilities. Must possess a valid Class 5 driver's license.

Steam Relief Operator 3

Grade 12 education or equivalent technical training. Direct other operators in their duties. Must possess a Third Class Power Engineering Certificate valid in BC. Must be fully familiar with the theory and operation of the Cogen/Powerhouse floor and Sulphur Plant floor/loading facilities. Must possess a valid Class 5 driver's license. Must perform warehouse and safety related duties such as:

Warehouse Backfill

- Work with maintenance so that stock items and levels meet the needs of the Plant
- Ensure inventory and QC of goods received
- Ensure inventory accuracy
- Operate lift trucks safely
- Ensure storage of inventory appropriate for control and preservation of stores
- Has TDG certification

Safety Backfill

Act as a professional resource to the Plant by providing information and advice to:

- OHS&E Committee and all subcommittees
- To support Safety meetings
- Management and all other plant groups
- Audit Safety Performance
- Assess Contractor safety compliance
- Understands the applicable WCB and Labour Canada legislation governing safety at the Plant
- Maintain, and participate in the establishment of standards for and control of safety equipment
- Capable of providing basic safety training, orientation and Fit Testing for employees and contractors

Steam Operator 3

Grade 12 education or equivalent technical training. Direct other operators in their duties. Must possess a Third Class Power Engineering Certificate valid in BC. Must be fully familiar with the theory and operation of the Cogen/Powerhouse floor and Sulphur Plant floor/loading facilities. Must possess a valid Class 5 driver's license.

Steam Operator 4

Grade 12 education or equivalent technical training. Direct other operators in their duties. Must be fully familiar with the theory and operation of one of the two areas as defined in Steam Operator 3. Must possess a Third Class Power Engineering Certificate valid in BC. Must possess a valid Class 5 driver's license.

Steam Operator Entry level 3rd Class

Grade 12 education or equivalent technical training. Must possess a valid Class 5 driver's license. Must possess a Third Class Power Engineering Certificate valid in BC.

Steam Operator Entry level 4th Class

Grade 12 education or equivalent technical training. Must possess a valid Class 5 driver's license. Must possess a Fourth Class Power Engineering Certificate valid in BC.

EFFLUENT PLANT

Effluent Operator 1

Grade 12 education or equivalent technical training. Direct other operators in their duties. Must be fully familiar with the theory and operation of the Effluent Plant, the River Water Pumphouse and Flare System. Must have completed a course in wastewater treatment. Must possess a valid Class 5 Drivers license.

Effluent Operator 2

Grade 12 education or equivalent technical training. Direct other operators in their duties. Must be fully familiar with the theory and operation of the Effluent Plant, the River Water Pumphouse and the Flare System. Must possess a valid Class 5 Drivers license.

Effluent Operator Entry Level

Grade 12 education or equivalent technical training. Must possess a valid Class 5 Drivers license.

LABORATORY

Qualifications and progression as per Letter of Understanding - Lab Progression.

MAINTENANCE

SENIOR CRAFTSMAN

Grade 12 education or equivalent technical training. Must be a qualified tradesman and have 2 years experience in the oil and natural gas industry.

CRAFTSMAN 1

Grade 12 education or equivalent technical training. Must have successfully completed the requirements for Tradesman's qualifications or completed fourth year of five (5) year instrumentation apprenticeship.

CRAFTSMAN 2

Grade 12 education or equivalent technical training. Must have successfully completed third year of apprenticeship training.

CRAFTSMAN 3

Grade 12 education or equivalent technical training. Must have successfully completed second year of apprenticeship training.

CRAFTSMAN 4

Grade 12 education or equivalent technical training. Must have successfully completed first year of apprenticeship training.

CRAFTSMAN 5

Grade 12 education or equivalent technical training with a satisfactory standing in mathematics, English and the sciences. A mechanical aptitude and an analytical approach to problem solving is essential.

WAREHOUSE

SENIOR WAREHOUSE PERSON

Grade 12 education or equivalent technical training. Three years practical warehousing experience. Ability to direct other Warehouse employees in their duties. Must possess a fourth class power engineering certificate valid in B.C. or have successfully completed level one of the S.A.I.T. Gas Processing course. Must be familiar with plant operations.

WAREHOUSE PERSON "A"

Grade 12 education or equivalent technical training. Twelve months service as a Warehouse Person "B".

WAREHOUSE PERSON "B"

Grade 12 education or equivalent technical training. Twelve months service as a Warehouse Person "C".

WAREHOUSE PERSON "C"

Grade 12 education or equivalent technical training.

LOADING

LOADER 1

Grade 12 education or equivalent technical training. Twelve (12) months as a Loader 2 or equivalent experience. Must have transportation of dangerous goods certification and a good mechanical aptitude. Ability to direct other loaders in their duties.

LOADER 2

Grade 12 education or equivalent technical training. Twelve (12) months as a Loader 3 or equivalent experience. Must have transportation of dangerous goods certification and a good mechanical aptitude. Ability to direct other Loaders in their duties.

LOADER 3

Grade 12 education or equivalent technical training. Must obtain transportation of dangerous goods certification and have a good mechanical aptitude.

SAFETY

SAFETY INSPECTOR

Grade 12 education or equivalent technical training. Must currently be or have been either a Craftsman 1 or an Operator Tech 2. Must have a demonstrated ability in the area of safety policies and procedures.

APPENDIX G - ALLOWANCES

<i>Category</i>	<i>Feb 1, 2001</i>	<i>Feb.1, 2002</i>	<i>Feb.1, 2003</i>
Northern Travel Allowance	\$290.53	\$299.25	\$308.23
Meal Allowance	\$21.96	\$22.62	\$23.30
Safety Boot Allowance	\$170.20	\$175.31	\$180.57
Power Engineering Certificate Bonus			
3 rd Class	\$54.91	\$56.56	\$58.26
2 nd Class	\$148.23	\$152.68	\$157.26
1 st Class	\$175.68	\$180.95	\$186.38
BC Industrial First Aid Certificate	.88 cents	.91 cents	.94 cents

A Northern Travel Allowance will be paid to employees who work their normally scheduled hours. Normally scheduled hours, whether worked or not, shall include those hours for which the employee receives pay. Employees who work less than the time specified above will receive the Northern Travel Allowance calculated as a percentage of the hours actually worked in relation to the scheduled hours for the month. No reduction shall be made from the Northern travel allowance unless more than eight (8) hours of the normal schedule are unpaid, except for unpaid leaves of absence for Union business as provided for in Clauses 8.03 and 8.04.

All payments made in respect to Northern Travel Allowance will have appropriate income tax withheld by the Company. Employees will be responsible for keeping all receipts, documentation and for making all claims for any income tax relief available in relation to the Northern Travel Allowance. The Company accepts no responsibility for such claims made by employees.

Memorandum of Agreement

By and Between
Westcoast Energy, McMahon Plant
(The Company)
and
CEP Union, Local 686B
(The Union)

This Memorandum will confirm full and final agreement, subject to ratification, reached on December 11, 2001 between the Company and Local 686B respecting the Collective Agreement for the period of February 1, 2001 to January 31, 2004.

Terms of the agreement are:

- Changes to Collective Agreement language and Letters signed off between the parties;
- Wage increases of 3.5% effective February 1, 2001, 3% effective February 1, 2002, 3%, effective February 1, 2003;
- Retroactivity to February 1, 2001 will apply to wages, allowances and premiums to employees on payroll February 1, 2001;
- A lump sum of \$1500.00 (gross) will be paid to employees on the payroll as of the date of ratification. This payment will be made no later than February 28, 2002;
- A lump sum of \$200.00 (net) will be paid to employees on the first pay period after February 1, 2002 and February 1, 2003;
- Extended healthcare plan vision care benefits will be provided to employees as per the applicable policy;
- A "new" pension plan, the "DB" Buy-up", will be made available to employees effective January 1, 2002. This is a 2% "stacked" pension plan. Both parties agree this neither constitutes participation in the WEI Choices program nor does it infer entitlement to any Choices benefits for employees who opt to participate in the DB Buy-up;
- Employee contributions to the DB Buy-up pension plan will be retroactive to January 1, 2002.
- Current 1.1/1.7 pension plan participants may select to remain in their existing plan. Such selection is final. Once entered into the DB Buy-up Plan the employee is required to remain in this plan;
- All new employees hired after December 31, 2001, must enter the DB Buy-up Plan;
- That pension calculations of both the 1.1/ 1.7 and the DB Buy-up plans will be based on the "best three years" of service;
- A voluntary Early Retirement Incentive Plan (ERIP) will be made available to employees deemed eligible. Employees who have the ERIP option will be provided a

sixty (60) day period to make their ERIP decision. The early retirement allowance is calculated as 2/3rds of monthly base earnings for each year of eligible service. This retirement allowance is subject to a maximum equal to the lesser of 24 months base pay and the number of months pay between the employee's early retirement date and the first day of the month following the employee's 65th birthday. This "retirement allowance" will be used to provide additional pension benefits on an actuarially equivalent basis.

- Revised allowances and premiums are as follows:

Category	Feb. 1, 2001	Feb. 1, 2002	Feb. 1, 2003
Northern Travel Allowance	\$290.53	\$299.25	\$308.23
Meal Allowance	\$21.96	\$22.62	\$23.30
Safety Boot Allowance	\$170.20	\$175.31	\$180.57
Power Engineering Monthly Premiums			
3rd Class	\$54.91	\$56.56	\$58.26
2nd Class	\$148.23	\$152.68	\$157.26
1st Class	\$175.68	\$180.95	\$186.38
B.C. Industrial First Aid Certificate	.88	.91	.94
Shift Differentials	Plus 3.5%	Plus 3%	Plus 3%

This agreement shall remain in effect until January 31, 2004 and shall automatically continue in effect for one year periods after January 31, 2004 unless either party shall give notice in writing at any time within four months immediately proceeding the date of expiry, of its desire to amend or terminate this Agreement.

Signed in Fort St. John, B.C. this 11th day of December, 2001.

For the Company

Al Laundry
 Mitch Green
 Al Karasiuk
 Bill Cooling

For the Union

Jan Mendrek
 Brock McClarty
 Grant Truscott
 Les Pearsall
 Bill Peterson

LETTER OF AGREEMENT

March 9, 1997

Communications, Energy and Paperworkers Union of Canada
Local 686B
Taylor, B.C.

Dear Members:

RE: BLUE CIRCLING OF DENNIS HARKER

The parties agree for the duration of this agreement and until retirement, termination, or voluntary resignation, Dennis Harker will continue to have his wages and benefits administered and paid at his current rate of pay including any increases which may be negotiated as a result of collective bargaining or otherwise.

COMMUNICATIONS,
ENERGY AND
PAPERWORKERS UNION OF
CANADA

WESTCOAST ENERGY INC.

C.E.P. Local 686B

Bob Dyck
Plant Manager, McMahon Plant

Memorandum of Agreement
by and between
Westcoast Energy, McMahon Plant (The Company)
and
CEP Union, Local 686B (The Union)

December 10, 2001

TRAINING and BACKFILLING FOR THE LINES OF PROGRESSIONS OF WAREHOUSE and SAFETY

The following procedure provides a structured means for the training and use of employees from the Crafts classifications to provide backfill coverage for the LOP's of Warehouse and Safety. The duties to be performed include areas such as:

Warehouse Backfill

- Work with maintenance so that stock items and levels meet the needs of the Plant
- Ensure inventory and QC of goods received
- Ensure inventory accuracy
- Operate lift trucks safely
- Ensure storage of inventory appropriate for control and preservation of stores
- Has TDG certification

Safety Backfill

Act as a professional resource to the Plant by providing information and advice to:

- OHS&E Committee and all subcommittees
 - To support Safety meetings
 - Management and all other plant groups
 - Audit Safety Performance
 - Assess Contractor safety compliance
 - Understands the applicable WCB and Labour Canada legislation governing safety at the Plant
-
- Maintain, and participate in the establishment of standards for and control of safety equipment
 - Capable of providing basic safety training, orientation and Fit Testing for employees and contractors

Notice of all designations will be posted and awarded by seniority to eligible employees. In the event that the designations are not filled by the posting system, the Company will assign

the junior employees from the respective classifications to meet the designation requirements.

The Company will provide the required training for designated employees.

When working in a backfill capacity in the warehouse or safety, an employee in addition to base wages will be paid a premium of \$1.38 per hour worked. This premium will not be included when computing overtime or pay for holidays not worked. For any overtime work performed, employees working in a backfill position will be paid the applicable premium in addition to any other remuneration to which they are entitled.

COMMUNICATIONS, ENERGY AND
PAPERWORKERS UNION
OF CANADA

WESTCOAST ENERGY INC.

Jan Mendrek
President, CEP Local 686B

Alan Laundry
Director, Fort St. John Operations

LETTER OF AGREEMENT

March 9, 1997

Communications, Energy and Paperworkers Union of Canada
Local 686B
Taylor, B.C.

Dear Members:

RE: REDUCED HOURS OF WORK

This will confirm the agreement between the Company and Union Local 686B to reduce the average hours of work per week under the Collective Agreement from 37.3 hours to 36.1 hours effective February 1, 1997. This reduction reflects the removal of one T day from the existing shift schedule. The Company and Union Local 686B acknowledge that this reduction in the average hours of work per week has a direct cost to the Company equal to 3.2% of its base payroll. Accordingly, Union Local 686B agrees that, in consideration for the Company's agreement to the reduction in the average hours of work per week, there will be no increase in the annual base wage except to the extent that the wage adjustment, to be effective February 1, 1997, ultimately resulting from the joint bargaining negotiations between the Company, Union Local 686B, Union Local 862, the Canadian Pipeline Employees Association and the Pine River Employees Association exceeds 3.2%.

For example, if an employee's base annual wage is \$52,370 for 1,939.6 hours worked per year (37.3 hours/week), the employee's base annual wage will remain at \$52,370 for 1,877.2 hours worked per year (36.1 hours/week). The only increase to the annual wage would be if the joint bargaining result exceeds 3.2%.

The Company and Union Local 686B further agree that, for so long as the average hours of work per week under the Collective Agreement is 36.1 hours and the average hours of work per week under other collective agreements between the Company and each of Union Locals 862, the Canadian Pipeline Employees Association and the Pine River Employees Association is 37.3 hours or greater the annual wages applicable under these other collective agreements shall exceed the annual wages applicable to comparable job classification levels under the Collective Agreement by the wage adjustment resulting from the joint bargaining negotiations referenced above.

COMMUNICATIONS,
ENERGY AND PAPERWORKERS

WESTCOAST ENERGY INC.

UNION OF CANADA

C.E.P. Local 686B

Bob Dyck
Plant Manager, McMahon Plant

LETTER OF UNDERSTANDING

December 10, 2001

Communications, Energy and Paperworkers Union of Canada
Local 686B
Taylor, B.C.

RE: FAMILY RESPONSIBILITY ABSENCE

The parties agree that an employee may request paid time away from work for the purpose of Family Responsibility Leave for unanticipated circumstances. Prior to having a request approved at the discretion of the Company, an employee is required to give as much prior notice as possible and explain the reason for the absence directly to his/her Team Leader or the person the Team Leader may designate. The maximum allowable duration of Family Responsibility Leave is two shifts to deal with the circumstances giving cause to the request. Should further unrelated circumstances arise, an employee may make another request for leave.

COMMUNICATIONS,
ENERGY AND PAPERWORKERS
UNION OF CANADA

WESTCOAST ENERGY INC.

Jan Mendrek
President, CEP Local 686B

Alan Laundry
Director, Fort St. John Operations

LETTER OF AGREEMENT

December 11, 2001

Communications, Energy and Paperworkers Union of Canada
Local 686B
Taylor, B.C.

RE: BLUE CIRCLE

The parties agree that as of the date of ratification of the Collective Agreement, employees will have their current wage rate "blue circled" if their wage rate in the new Lines of Progression is lower than their wage rate in their former Line of Progression. A "blue circled" rate will be eligible for negotiated wage increases. A "blue circled" rate will terminate when an employee's wage rate in his/her new Line of Progression is equal to or greater than the "blue circled" rate or the employee bids out of his/her new Line of Progression.

With this letter, it is agreed that Articles 15.03 (d) and (e) will not apply to the circumstances described above.

COMMUNICATIONS, ENERGY AND
PAPERWORKERS UNION OF
CANADA

WESTCOAST ENERGY INC.

Jan Mendrek
President, C.E.P. Local 686B

Alan Laundry
Director, Fort St. John Operations

LETTER OF UNDERSTANDING

December 11, 2001

Communications, Energy and Paperworkers Union of Canada
Local 686B
Taylor, B.C.

RE: Transition Training Incentive

The Company and the Union recognize the importance of transition training for employees to meet the operating requirements of the new Lines of Progression. As an incentive to train during the transition period, once an employee commences training on any position, they will receive and maintain the higher rate, provided they have the ability to successfully conclude the training.

COMMUNICATIONS,
ENERGY AND PAPERWORKERS
UNION OF CANADA

WESTCOAST ENERGY INC.

Jan Mendrek
President, CEP Local 686B

Alan Laundry
Director, Fort St. John Operations

LETTER OF UNDERSTANDING

December 11, 2001

Communications, Energy and Paperworkers Union of Canada
Local 686B
Taylor, B.C.

RE: New Line of Progression Transition Training

This letter is a replacement of Article 17.01 during the transition period as follows:

For the transition period from the former Lines of Progression (LOP) to the new LOP, the Company and the Union recognize the unique circumstances to implement the new system. The purpose of the transition period is to evaluate training requirements and to complete the transition training so that the operating requirements of each LOP are met.

To implement the new LOP's current employees will be provided transition training to meet the new qualifications. The level of transition training that will be provided to each current employee in the Process Operator and the Steam Operator LOP's will be determined by comparing a current employee's qualifications in the former LOP against the qualifications of the new LOP. The identification of the training requirements will be based on the highest classification that he/she is qualified for or partially qualified for in the new LOP. For example, any employees currently qualified at the Tech 1 classification will be provided transition training to the appropriate Process 1 or Steam 1 Operator classification. Other current employees in these LOP's will be provided transition training with the ultimate objective of reaching the qualifications required by the operations.

In the circumstance that an employee who is designated to undertake training in the classifications of Process Operator 1 or Steam Operator 1 is unable or unwilling to meet the requirements of these positions, he/she will be provided the opportunity to be trained in an area described in A) within their respective LOP.

To implement the new Effluent LOP the positions will be posted and awarded to the senior qualified employees. Should there be no applicants, the least senior qualified employee will be assigned.

The Process Relief Operator 2 positions will be posted and awarded to the senior applicant from within the Processing LOP. The employee(s) will then be trained in the qualifications of the position. Should there be no applicant(s), the least senior employee(s) in the Process LOP will be assigned.

The Stream Relief Operator 3 positions will be posted and awarded to the senior applicant from within the Steam LOP who possesses a Third Class Power Engineering Certificate valid in BC. The employee(s) will then be trained in the qualifications of the position. Should there be no applicant(s), the least senior employee(s) in the Steam LOP, possessing a Third Class Power Engineering Certification valid in BC, will be assigned.

During the transition, if the circumstances are such that there is an excess number of employees in the LOPs of Safety or Warehouse, the junior employee will be trained as follows:

- A) Process Operator 4 [one of Gas Treating, Absorption/Dehydration (including Dew Point Controls) or Condensate/Fractionation (including BPL Storage/Truck loading facilities)]. Should an employee possess the required Power Engineering Certification, training will be provided for the classification of Steam Operator 4 (one of SP Floor/Loading or Cogen/PH Floor). Each employee must successfully complete training within 4 months.

During the transition period, all employees will be required to train other employees to meet the transition training requirements.

At the conclusion of the transition period, Article 17.01 of the Collective Agreement will take effect.

COMMUNICATIONS,
ENERGY AND PAPERWORKERS
UNION OF CANADA

WESTCOAST ENERGY INC.

Jan Mendrek
President, CEP Local 686B

Alan Laundry
Director, Fort St. John Operations

LETTER OF UNDERSTANDING

December 11, 2001

Communications, Energy and Paperworkers Union of Canada
Local 686B
Taylor, B.C.

RE: Training

The Company recognizes the importance of training for employees to improve their knowledge and skills to equip themselves for future positions of greater responsibility or higher pay for which they are eligible within the Lines of Progression or through Job Postings. Opportunities for training, as required to advance within a Line of Progression, will be provided to employees on the basis of seniority in that Line of Progression, providing the employee(s) has the ability to successfully conclude the training.

The determination of qualifications and provisions for reasonable training shall be made by the Company in a just manner and shall be subject to the grievance procedure.

COMMUNICATIONS,
ENERGY AND PAPERWORKERS
UNION OF CANADA

WESTCOAST ENERGY INC.

Jan Mendrek
President, CEP Local 686B

Alan Laundry
Director, Fort St. John Operations

LETTER OF UNDERSTANDING

December 10, 2001

Communications, Energy and Paperworkers Union of Canada
Local 686B
Taylor, B.C.

**RE: Amendment To The Workplace Change Letter Of Understanding Dated
May 10, 2001.**

The Company and the Union agree that the above mentioned Letter of Understanding is amended such that Level 2 is no longer applicable to employees in the Process and Steam Lines of Progression. Level 1 will continue for these operations employees. It is also agreed that Sections 10 and 11 of the above noted letter are deleted.

For those operations employees in the Effluent Progression, they will be eligible for Level 1 as operations and a Level 2 criteria will be developed and implemented to coincide with the commencement of the new Effluent progression.

COMMUNICATIONS,
ENERGY AND PAPERWORKERS
UNION OF CANADA

WESTCOAST ENERGY INC.

Jan Mendrek
President, CEP Local 686B

Alan Laundry
Director, Fort St. John Operations

LETTER OF UNDERSTANDING

December 10, 2001

Communications, Energy and Paperworkers Union of Canada
Local 686B
Taylor, B.C.

RE: Enhanced Severance

Further to our discussions during negotiations, this letter confirms the parties' agreement to enhanced severance for employees who accept voluntary layoff as a result of the Optimization of McMahon Plant announced in November 8, 2000.

It is agreed that affected employees will be eligible for severance in accordance with this letter as a replacement for Article 15.03 (c). Any Employee paid severance will have the right of recall forfeited and will be terminated.

- a) 2/3 of a month's base pay per year of service to a maximum of 24 months rounded up to the nearest complete month.
- b) 15% of base pay in lieu of benefits.
- c) \$3500 for education, retraining, tools or outplacement counseling (proof of expenditure required within 6 months of termination)
- d) up to \$5000 relocation expenses if moving more than 75 km within 6 months of termination.

Receipts must be provided for c) and d).

COMMUNICATIONS,
ENERGY AND PAPERWORKERS
UNION OF CANADA

WESTCOAST ENERGY INC.

Jan Mendrek
President, CEP Local 686B

Alan Laundry
Director, Fort St. John Operations

LETTER OF AGREEMENT

December 8, 2001

Communications, Energy and Paperworkers Union of Canada
Local 686B
Taylor, B.C.

RE: BC Second Class Steam Certification

The Company agrees that assistance will be given to employees trying to obtain their BC Second Class Steam Certification. The employee will determine which of the 3 (three) exams he/she would like to attend a school tutorial for. The Company will provide to the employee a three week leave paid for any 3 (three) exams selected by the employee to BCIT, return travel costs to the educational facility, and a per diem at the same rate of the Apprenticeship Program (currently \$45.00 / day).

Communications, Energy and
Paperworkers Union

Westcoast Energy Inc.

Jan Mendrek
President, CEP Local 686B

Alan Laundry
Director, Fort St. John Operations

**Memorandum of Agreement
by and between
Westcoast Energy, McMahon Plant (The Company)
and
CEP Union, Local 686B (The Union)**

RE: EFFLUENT PLANT SHIFT / SCHEDULE

To provide Effluent Plant operations dayshift coverage seven days per week, two operators will work the following rotation:

- 1) 2 shifts (crews)
- 2) Eight consecutive working days followed by six days off. Days worked will be Wednesday to Wednesday with hours worked as follows:

Day	M	T	W	T	F	S	S	M	T	W	T	F	S	S
	off	off	on	on	on	on	on	on	on	on	off	off	off	off

- 3) This shift / schedule will average 36.1 hours per week or 9.02 hours per day. Employees in the Effluent Line of Progression on this shift/schedule are considered shift workers. A day is defined as a twenty-four (24) hour period at the start of shift at 7:30 am.
- 4) Overtime shall be paid two (2) times their regular hourly rate:
 - (a) For all hours worked on a Company-recognized holiday in addition to holiday pay provided under Clause 7.02;
 - (b) For all hours worked on their days of rest;
 - (c) For all hours worked on a regular work day outside their regular scheduled 9.02 per day or hours worked in excess of thirty-six and one tenth (36.1) hours average per week through a complete cycle of their schedule except for straight time mutual trade hours;
 - (d) For hours worked on a call out;
 - (e) For hours worked on a shift or schedule change as provided in Clause 5.10 (i).

Signed in Fort St. John, B.C. this 11th day of December 2001.

Jan Mendrek
President, CEP Local 686B

Alan Laundry
Director, Fort St. John Operations

LETTER OF UNDERSTANDING

December 8, 2001

Communications, Energy and Paperworkers Union of Canada
Local 686B
Taylor, B.C.

RE: LAB PROGRESSION

The parties agree to the following as related to the Lab progression:

1. The current vacancy, Senior Lab Tech, is to be filled from external applications and in accordance with the qualifications as per the agreed to posting qualifications.
2. Contracting out of Lab work will be done in accordance with Article 15.01 (b) and (c) of the Agreement.
3. Should business considerations specific to the lab justify the creation of a third position, to be named Junior Lab Tech, in the Lab Department, the Company will post for a third position in accordance with Article 3.07 of the Collective Agreement.
4. Qualifications for the Junior Lab Tech will be:
 - Grade 12 education or successful equivalent technical training with a satisfactory standing in mathematics, English, and the sciences. A mechanical aptitude and an analytical approach to problem solving are essential;
 - Valid class five driver's license.
5. Qualifications for the Senior Lab Tech will be:
 - Bachelor of Science or related Technologists diploma;
 - Ability to apply Standard Test Method Procedures;
 - Competency in computer programs i.e. Microsoft Office;
 - Two (2) years industrial lab experience;
 - Junior Lab Tech requirements.
6. Qualifications for the Senior Lab and Environment Tech will be:

- Two (2) additional years industrial lab experience;
 - Experience using chromatographs;
 - Junior and Senior Lab Tech requirements.
7. Employees entering the Lab department from an internal posting and possessing the requirements as specified in item 4 must progress by successfully completing one semester per year at B.C.I.T. or equivalent in the appropriate Technologist program. The Company will determine the appropriate program/courses. Upon completion of the program and two years of cumulative experience the employee will be classified as a Senior Lab Tech.
 8. Employees who experience two (2) failures of the same course will be removed from the Lab Line of Progression. The Local and Company will mutually agree on how this is to be done.
 9. Where there is one person in each of the Senior Lab & Environmental Tech and Senior Lab Tech classifications or two (2) Senior Lab and Environment Techs, then future vacancies of the Junior Lab Tech classification will be filled as per item 3 of this agreement.
 10. Within ninety days of the signing of this agreement the Parties will determine the wage progression and any other applicable benefits of the third Lab position.

Communications, Energy and
Paperworkers Union

Westcoast Energy Inc.

Jan Mendrek
President, CEP Local 686B

Alan Laundry
Director, Fort St. John Operations

LETTER OF UNDERSTANDING

December 10, 2001

Communications, Energy and Paperworkers Union of Canada
Local 686B
Taylor, B.C.

RE: Voluntary Layoff Program

Further to discussions at negotiations, both parties recognize the merits of voluntary layoffs and the benefits, which may be derived for certain employees from such a provision, while at the same time ensuring the needs of the Plant are met. A prerequisite of the Voluntary Layoff Program will be that the employee applying for voluntary layoff is able to be replaced by a current employee who is qualified without needing any training or is able to become qualified to the minimum qualifications in not more than a four (4) month period. It is also agreed that this Program must be separate from any Early Retirement Incentive Program (ERIP) and can only become effective after the conclusion of such ERIP.

Regarding the Voluntary Layoff Program, all interested employees would submit a written application of interest no later than March 1, 2002. This application will include a desired effective date of the voluntary layoff. This date will be no later than January 31, 2003. Confirmation of voluntary layoff will be subject to Company approval based on the requirements of this Letter and a mutual agreement, particular to each employee, of the effective date of voluntary layoff. If a mutual agreement is not reached or the employee declines the offer of voluntary layoff, the Program will no longer be available to the employee. The Company agrees that opportunity for voluntary layoff will be offered in order of seniority.

An employee who accepts voluntary layoff cannot rescind their acceptance of voluntary layoff and will be paid severance in accordance with the Letter of Understanding Enhanced Severance, thereby giving up right of recall. Article 15.04 will not apply in the circumstances of the Voluntary Layoff Program.

Communications, Energy and
Paperworkers Union

Westcoast Energy Inc.

Jan Mendrek
President, CEP Local 686B

Alan Laundry
Director, Fort St. John Operations

LETTER OF UNDERSTANDING

December 11, 2001

Communications, Energy and Paperworkers Union of Canada
Local 686B
Taylor, B.C.

Re: No Layoff Resulting From Optimization Announced Nov. 8, 2000

Subject to the ratification of this proposed Collective Agreement, there will not be an involuntary layoff of any employee caused as a result of the Optimization as defined by the Company and communicated to the Local Union on November 8, 2000. Any excess employees who otherwise would have been laid off will be utilized within the Collective Agreement and the processes of voluntary layoff, early retirement and attrition will take their course. This letter will be in effect only for the term of this Collective Agreement.

COMMUNICATIONS,
ENERGY AND PAPERWORKERS
UNION OF CANADA

WESTCOAST ENERGY INC.

Jan Mendrek
President, CEP Local 686B

Alan Laundry
Director, Fort St. John Operations

June 20, 2001

Communications, Energy and Paperworkers Union
Local 686B
Taylor, BC

Re: Successor Rights

The Company agrees that for the duration of the current Collective Agreement, section 44.2 of the Canada Labour Code, as it exists at the writing of this letter, will be applicable.

Yours truly,

Alan Laundry
Area Manager, Fort St. John

LETTER OF UNDERSTANDING

December 11, 2001

Communications, Energy and Paperworkers Union of Canada
Local 686B
Taylor, B.C.

RE: Retirement Plan Issues

In accordance with Article 9.02, it will be a requirement of employees to have employer consent should they wish to take early retirement as defined in the Pension Plan document. When assessing any employee's request to take early retirement, the Company will not unreasonably withhold consent if, in management's view the Company has the skills available within its remaining workforce to effectively continue operations.

COMMUNICATIONS,
ENERGY AND PAPERWORKERS
UNION OF CANADA

WESTCOAST ENERGY INC.

Jan Mendrek
President, CEP Local 686B

Alan Laundry
Director, Fort St. John Operations

HANDLING REFUSAL TO WORK

Under the Canada Labour Code Part II.

Note: The following text is taken from the Canada Labour Code. Any mention of "Supervisor" is to be taken to mean Team Leader or other management personnel as applicable.

INTRODUCTION:

Under normal work relations between a Supervisor and an employee, there may be differences of opinion as to what is safe/unsafe or what conditions are occupational health hazards. These concerns should be resolved to the best interest of all concerned.

If an employee's concern cannot be resolved under normal working relations between a Supervisor and an employee, the employee has the right to refuse work under the **Canada Labour Code, Part II, Section 128.**

Every attempt should be made to ensure that work is safe but if the refusal to work under the Act does occur, the following procedure must be followed:

PROCEDURE:

- 1) Where an Employee while at work has reasonable cause to believe that:-
 - a) The use or operation of a machine or thing constitutes a danger to the employee or another employee, or
 - b) A condition exists in any place that constitutes a danger to the employee, the employee may refuse to use or operate the machine or thing to work in that place.

No refusal permitted in certain dangerous circumstances.

2. An employee may not, pursuant to this section, refuse to use or operate a machine or to work in a place where
 - a) the refusal puts the life, health or safety or another person directly in danger; or
 - b) the danger referred to in subsection (1) is inherent in the employee's work or is a normal condition of employment.

Should refusal to work occur, it is essential that the immediate Supervisor put the following procedure into effect:

"REPORT TO EMPLOYER"

- 3) "Where an employee refuses to use or operate a machine or thing or to work in a place pursuant to subsection (1), or is prevented from acting in accordance with that subsection pursuant to subsection (4), the employee shall forthwith report the circumstances of the matter to his employer and to;
 - a) a member of the safety and health committee, if any, established for the work place affected; or
 - b) the safety and health representative, if any, appointed for the work place affected.

"INVESTIGATION OF REPORT"

- 4) "An employer shall forthwith on receipt of a report under subsection (6) investigate the report in the presence of the employee who made the report and in the presence of;
- a) at least one member of the safety and health committee, if any, to which the report was made under subsection (6) who does not exercise managerial functions;
 - b) the safety and health representative, if any; or
 - c) where no safety and health committee or safety and health representative has been established or appointed for the work place affected, at least one person selected by the employee.

CONTINUED REFUSAL TO WORK

- 5) Where an employer disputes a report made to the employer by an employee pursuant to subsection (6) or takes steps to make the machine or thing or the place in respect of which the report was made safe, and the employee has reasonable cause to believe that:-
- a) the use or operation of the machine or thing continues to constitute a danger to the employee or to another employee, or
 - b) a condition continues to exist in the place that constitutes a danger to the employee.
- The employee may continue to refuse to use or operate the machine or thing to work in that place.

INVESTIGATION BY SAFETY OFFICER

A Safety Officer is an appointee of the Minister of Labour.

Section 129(1) Where an employee continues to refuse to use or operate a machine or thing or to work in a place pursuant to subsection 128(3), the employer and the employee shall each forthwith notify a safety officer, and the safety officer shall forthwith, on receipt of either notification, investigate or cause another safety officer to investigate the matter in the presence of the employer and the employee or the employee's representative.

DECISION OF SAFETY OFFICER

- 6) A safety officer shall, on completion of an investigation made pursuant to subsection (1), decide whether or not:
- a) the use or operation of the machine or thing in respect of which the investigation was made constitutes a danger to any employee, or;
 - b) a condition exists in the place in respect of which the investigation was made that constitutes a danger to the employee referred to in subsection (1), and he shall forthwith notify the employee of his decision.

Section 129(1) Where an employee continues to refuse to use or operate a machine or thing or to work in a place pursuant to subsection 128(3), the employer and the employee shall each forthwith notify a safety officer, and the safety officer shall forthwith, on receipt

of either notification, investigate or cause another safety officer to investigate the matter in the presence of the employer and the employee or the employee's representative.

CONTINUED WORK REQUIRED IN CERTAIN CASES:

- 7) Prior to the investigation and decision of a safety officer under this section, the employer may require that the employee concerned remain at a safe location near the place in respect of which the investigation is being made or assign the employee reasonable alternate work, and shall not assign any other employee to use or operate the machine or thing or to work in that place unless that other employee has been advised of the refusal of the employee concerned.

DECISION OF SAFETY OFFICE RE: DANGER

- 8) Where a safety officer decides that the use or operation of a machine or thing constitutes a danger to an employee or that a condition exists in a place that constitutes a danger to an employee, the officer shall give such direction under subsection 145(2) as the officer considers appropriate, and an employee may continue to refuse to use or operate the machine or thing or to work in that place until the direction is complied with or until it is varied or rescinded under this Part.

REFERENCE TO BOARD

- 9) Where a safety officer decides that the use or operation of machine or thing does not constitute a danger to an employee or that a condition does not exist in a place that constitutes a danger to an employee, an employee is not entitled under Section 128 or this section to continue to refuse to use or operate the machine or thing or to work in that place, but the employee may, by notice in writing given within seven days of receiving notice of the decision of a safety officer, require the safety officer to refer his decision to the Board, and thereupon the safety officer shall refer the decision to the Board.

INQUIRY

Section 130.(1) Where a decision of a safety officer is referred to the Board pursuant to subsection 129(5), the Board shall, without delay and in a summary way, inquire into the circumstances of the decision and the reasons therefor and may:

- a) confirm the decision; or
- b) give any direction that it considers appropriate in respect of the machine, thing or place in respect of which the decision was made that a safety officer is required or entitled to give under subsection 145(2).

POSTING NOTICE OF DANGER

- 10) Where the Board gives a direction under subsection (1), it shall cause to be affixed to or near the machine, thing or place in respect of which the direction is given a notice in the form approved by the Minister, and no person shall remove the notice unless authorised by a safety officer or the Board.

CESSATION OF USE

- 11) Where the Board directs, pursuant to subsection (1), that a machine, thing or place not be used until its directions are complied with, the employer shall discontinue the use thereof, and no person shall use such machine, thing or place until the directions are complied with, but nothing in this subsection prevents the doing of anything necessary for the proper compliance therewith.

DANGEROUS SITUATIONS

- 12) Where a safety officer considers that the use or operation of a machine or thing or a condition in any place constitutes a danger to an employee while at work,
- a) the Safety Officer shall notify the employer of the danger and issue directions in writing to the employer directing the employer immediately or within such period of time as the officer specifies.
 - i) to take measures for guarding the source of danger; or
 - ii) to protect any person from the person from, the danger; and
 - b) the safety officer may, if the officer considers that the danger cannot otherwise be guarded or protected against immediately, issue a direction in writing to the employer directing that the place, machine or thing in respect of which the direction is made shall not be used or operated until the officer's directions are complied with, but nothing in this paragraph prevents the doing of anything necessary for the proper compliance with the direction.

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