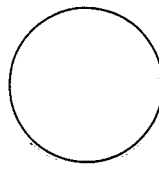


*International  
of Electrical*



*Brotherhood  
Workers*

*Local 47*

600 N. Diamond Bar Blvd., Diamond Bar, CA 91765  
(909) 860-IBEW  
(909) 860-4239

Fax (909) 860-2136  
Web Page: [www.ibew47.org](http://www.ibew47.org)

July 12, 2004

Dear Brothers & Sisters:

After bargaining continuously from June 30<sup>th</sup> through July 1<sup>st</sup>, the parties reached agreement subject to ratification by our SCE members. The bargaining began last January and required 21 sessions to complete negotiations of the 63 combined proposals from both sides. The agreement expired on June 30<sup>th</sup> but will remain in effect through the process contained in this notice.

Enclosed is your ballot as well as a ballot envelope, and a self-addressed, prepaid return envelope for your convenience in voting for the proposed Benefits Agreement package as shown below. Only ballots returned in the proper return envelope will be accepted. The ballot must be received in the Union's post office box by the morning of Wednesday, August 4<sup>th</sup> in order to be counted by the ballot committee.

Your Union committee, consisting of Ron Delgado (Troubleman Foothill), Dillie Farris (SCMA Rialto), Jeff Flory (E-Crew Foreman Redlands), Pete Freeman (Electrician Moorpark), Roger Heldoorn (Troubleman San Jac), Eric Hetrick (System Operator Vista), Ernie Lopez (Troubleman Covina), Dwight Morgan (Area Com Tech Covina), Greg Vetter (FSR Compton), Mike Moore and Pat Lavin (Local 47 Staff), unanimously recommend this package for ratification.

The following is an overview of the various modifications, additions and changes to the agreement.

### Term of Agreement

- o Five year agreement with a three year re-opener for health and welfare plans

### Stock Savings Plus Plan (401k)

- o Effective 1-1-05 - Agreed to increase company matching contributions from the current \$.75 to \$1.00 matching for each employee dollar contributed up to a maximum of 6% of base.
- o Effective 1-1-05 - Agreed to, suspend 401k deferrals for a six month period following a participant's hardship withdrawal. *This will align with Federal Law concerning "Safe Harbor" provisions.*
- o Effective 1-1-05 - Agreed to, create a seven day selling bar after the purchase of any Edison 401k fund option. *This does not apply to the EIX stock fund. This short term trading bar will assure that fund investments will continue to be accepted by the various fund managers.*

### Medical Plans

- o **New provision** – Effective 1-1-05 - Company to provide up to five years of subsidized medical, dental and vision coverage to dependents of an employee who dies within six months of an on the job injury.
- o Effective 1-1-06 - Agreed to eliminate Blue Shield and Cigna HMO's and Pacific Care POS. Further, agreed to continue working through joint sub-committee towards establishing new optional Consumer Driven Health Care Plan(s) through Definity Corporation. In addition, work through sub-committee to add additional medical plans constructed by the Union through our Consultant Service and Blue Cross Insurance Corporation.
- o Effective 1-1-06 – Agreed to re-integrate the currently *carved out* behavioral health plans back into the various medical plan options. *Currently the two options are Holman Group and United Behavior Health for mental health and substance abuse treatment.*

Enhance the Preventive Health Account benefit (PHA) beginning in 2005 as follows:

- o No requirement to be enrolled in a medical plan.

(over)



Enhance the Preventive Health Account benefit (PHA) beginning in 2005 as follows:

- No requirement to be enrolled in a medical plan.
  - Provide PHA credits on day participant first becomes eligible for medical coverage.
  - Provide increased eligible expenses under the PHA to include approved preventive health screenings.
  - Broaden range of acceptable programs for PHA list of Approved fitness centers
  - PHA expenses eligible for reimbursement as soon as claim is filed
- Effective 1-1-05 – Agreed to additional enhancement benefits which will be available to our members through WebMD. The employee or spouse may voluntarily take the *Health Risk Assessment (HRA)* or *Health Quotient (HQ)* on the WebMD website. Anytime in 2005 the employee or spouse or both would receive \$25 in ACE points by taking the HRA. Name and completion of such would be the only information provided to Edison by WebMD, not any medical information.

Effective 1-1-06 - Employee or spouse who has taken the HQ and has an indicated elevated risk, may engage in health improvement activities. If they elect to do this through a co-sponsored program, each will receive \$100 if they are compliant which would be provided in 2007 flex dollars. For those who don't have a health risk would receive an extra \$50 in their PHA account. This would apply to both employee and spouse.

Agreed to modify the Company contributions for medical coverage from the current 89% less \$8 to the following:

- Effective 1-1-06 - Reduce Company contribution (premiums) for medical coverage to 87% for employee and 85% for dependents.
- Effective 1-1-07 - Reduce Company contribution (premiums) for medical coverage to 85% for employee and 83% for dependents.
- Effective 1-1-08 - Base the Company contribution (premiums) on the lowest cost medical plan available in the geographic area at 85% for employee and 80% for dependents.

Agreed to, modify the Company contributions for health care coverage for employees who retire on or after the effective date of this agreement.

- Grandfather all employees who are at least 55 years old with 10 years of service or who have 25 years of service on 12-31-08
- For employees retiring on 1-1-09 and thereafter *Cap* the Company contribution for medical, dental and vision coverage to the amount provided in 2008 plus the greater of a.) 50% of the increase in the lowest cost medical plan or b.) the incremental increase in the CPI but no more than the CPI plus 2%. For the employee retiring after 1-1-09 and not Grandfathered must be age 60 year with 15 years of service to capture the best Company contribution of 85/80% adjusted by the above formula.
- Effective 1-1-09, for employees who retire at age 55-59 with at least 10 years of service Company will provide a contribution of equal to 50% of the lowest cost plan. Service Surcharge currently in place is to be eliminated.
- Effective 1-1-08, for Medicare eligible retirees require contributions based on 15% for retiree and 20% for spouse. *This eliminates the current incentive in place for eligible retirees to enroll in a Medicare Plus Plan (an HMO integrated with Medicare).*
- Effective 1-1-06 – Agreed to for retiree health care for survivors of employees who dies while in service will require the deceased employee to have attained age 55 with 10 years of service or have 25 years of service.

Effective 1-1-06, agreed to *Carve Out* chiropractic treatments from the *Point of Service Plans (POS's)* and move to American Health Specialty Network (AHSN). In addition the HMO's would have chiropractic coverage through this same network for the first time. Treatments will be limited to 30 visits per year with a \$15 co-pay per visit.

- Effective 1-1-06 – Agreed to the following modifications to the fee schedule for co-pays, deductibles and stop loss amounts as follows:
  - Increase HMO office visit co-pay to \$10 – *Currently \$5.*
  - Increase the POS office visit co-pay to \$20 for PCP, \$30 for specialist – *Currently \$10.*
  - Increase the hospital room ER co-pay to \$50 for all plans – *Currently \$35.*
  - Increase the POS tier 2 PPO deductible to \$250/\$500 – *Currently \$200/400.*
  - Increase the POS tier 3 out-of-network deductible to \$450/900 – *Currently \$400/800*
  - Increase National Plan deductible to \$200/400 – *Currently \$150/300.*
  - Increase the HMO out-of-pocket limits to \$800/1600 – *Currently \$750/1500.*
  - Increase the POS tier 1 out-of-pocket limits to \$800/1600 – *Currently \$750/1500.*
  - Increase the POS tier 2 PPO out-of-pocket limits to \$1750/3500 – *Currently \$1500/3000*
  - Increase the POS tier 3 out-of-network out-of-pocket limits to \$4,000/8,000 – *Currently \$4000/7000.*
  - Increase the National plan out-of-pocket limits to \$1750/3500 – *Currently \$1500/3000.*
  - Only the co-pays and deductibles (not stop loss amounts) adjusted annually by medical plan increases.
  
- Effective 1-1-06 - *Carve out* pharmaceutical coverage from all current medical plans and place the IBEW's SAV-RX pharmaceutical plan into a competitive blind selection process with five other pharmaceutical plans. In addition the Union will have two members on the selection panel.  
 In addition to the carve out, change the current per prescription co-pays to a straight employee 20% coinsurance with a \$500/1000 stop loss that will be coordinated with the medical plan stop loss
  
- Effective 1-1-06 - Eliminate from the HMO plans only the advanced infertility coverage, no change to basic Infertility coverage. Same level of current benefit will remain in the POS plans.

The following table is provided to give you an idea of the changes that were accomplished by your Union Negotiating committee versus the announcements made to the non-represented groups last year

Company "Straight Talk" Booklet from 2003	Changes as a result of Bargaining
Effective 1-1-06 reduce Company contributions (premiums) for medical coverage to 85% for employee and 80% for dependants	Effective 1-1-06 - 87%/85% Effective 1-1-07 - 85%/83% Effective 1-1-08 - 85%/80%
Effective 1-1-08 – Base Company contribution on the lowest cost medical plan available in the geographic area.	Agreed
Grandfather any employee who has attained age 55 and has at least 10 years of service points on 12-31-08	All employees on 12-31-08 who have either attained age 55 with 10 years of service or 25 years of service will be Grandfathered
Effective 1-1-09 - For employees (Non-Grandfathered) who retire at Age 55-59 with at least 10 years of service Company will provide a contribution of equal to 50% of the lowest cost plan.	Agreed, but with the elimination of the current <i>Service Surcharge</i> schedule currently in place
For employees retiring on 1-1-09 and thereafter <i>Cap</i> the Company contribution for medical, dental and vision coverage to the amount provided in 2008 plus the incremental increase in the CPL. To qualify you must be 60 years of age and 15 years of service to capture this premium contribution.	Maximum company adjustment per year will be CPI plus 2%. <i>CPI has been running at about 3% per year.</i>
For employees retiring on 1-1-09 and thereafter, the Company contribution for retiree medical, dental and vision coverage for retiree plus dependents shall not exceed the base level contribution for retiree plus spouse coverage in 2008 plus the incremental increase in the general CPL.	Withdrawn by Company
Change pharmaceutical coverage from co-pays to a straight 80/20% coinsurance	Agreed to a 80/20% coinsurance with a stop loss of \$500/1000 to be coordinated with medical plan stop loss
Medical Plan co-pays, stop loss amounts and deductibles to be adjusted annually by Medical trend increases	Agreed to adjust co-pays and deductibles but stop loss amounts will remain fixed for the term of the agreement.
Retiree dental and vision coverage contributions change from 100% to 75% in '06 and 50% in '07	Effective '06 90%, '07 75%, '08 50%

## Dental Plans

- Premiums - Modify Company's dental contributions to the following schedule based on weighted enrollment (currently 108%):
  - Effective 1-1-06 106%,
  - Effective 1-1-07 104%,
  - Effective 1-1-08 102%,
  - Effective 1-1-09 100%.
- Agreed to modify the Company contribution for coverage for all employees who retire on or after the effective date of this agreement to:
  - 2006 - 90%
  - 2007 - 75%
  - 2008 - 50%
- **Delta** – Effective 1-1-06 - Update the current Delta Dental option with an automatic feature of a *Delta Preferred Organization (DPO)*. Add a front end deductible of \$50 per individual and \$150 for family for non-DPO Delta dentists. *Approximately 38% of our members are currently seeing a Delta dentist who is also a Delta Preferred dentist. By seeing a Delta DPO dentist you will receive a lower fee schedule and will not have a front end deductible.*
- **Delta** – Effective 1-1-05 - Increase teeth cleanings at 100% coverage from two to three per year.
- **Delta** – Effective 1-1-05 - Increase children's orthodontia coverage from \$1600 to \$2000 lifetime maximum.
- **DMO's** – Effective 1-1-06 - Update Blue Cross Dental Net and Safeguard Dental options to current standard designs. Orthodontic coverage stays the same but the co-pays for other services will change

## Vision Plan

- Effective 1-1-05 - Improve contact lens coverage for cosmetic purposes from \$100 every 24 months to \$125 every 12 months with eye exam covered separately
- Effective 1-1-05 - Increase Refractive Eye Surgery from \$1000 to \$2000 family lifetime maximum
- Effective 1-1-05 Cover eye exam separately and increase wholesale frames from \$40 to \$45, this is a \$115 retail value
- Agreed to modify the Company contribution for coverage for all employees who retire on or after the effective date of this agreement to:
  - 2006 - 90%
  - 2007 - 75%
  - 2008 - 50%

## Health Care Reimbursement Account (HCRA)

- Provide for an optional debit card for those participating in the HCRA's flexible spending account.
- Effective 1-1-05 - Increase the HCRA Flexible Spending Account limitation from \$2500 to \$5000
- Effective 1-1-05 - Eliminate the HCRA and DCRA forfeiture for plan participants

- Company to provide more education on Flexible Spending Accounts with the following:
  - Trained presenter available on a will call basis for meeting presentations
  - Materials provided by the Company to be used at *all hands* and Union unit meetings
  - Mailings to all employees' homes giving details on how the plan works. Additional mailing at end of third quarter of each year giving individual account balance and a review of what is medically eligible for expenditures

### **Accidental Death & Dismemberment Insurance (AD&D)**

- Effective 1-1-05 - Increase Company-provided coverage from \$10,000 to \$30,000. This is at no cost to the employee
- Effective 1-1-05 - Enhance benefits in a number of ways. This includes several features to make the AD&D insurance more attractive through lump sum payments for school tuition and various other increased benefits in the event of death when using seat belts and where safety restraint systems are available

### **Dependent Term Life Insurance Plan**

- Effective 1-1-05 - Increase insurance coverage available for spouse from 50% of employee's coverage up to a maximum of \$5,000 to 50% of employee's coverage up to a maximum of \$250,000. Agreed to increase children's coverage options from \$2,000 to \$5,000, \$10,000 or \$15,000.

### **Group Life Insurance**

- Effective 1-1-05 - Company provided coverage increased from \$15,000 to one times base salary, up to a maximum of \$30,000. This is at no cost to the employee.
- Effective 1-1-05 - Increase employee coverage options from six times base pay to eight times base. Also, agreed for employees who separate from the company the option of continuing the coverage as a Term policy instead of the current only available conversion to Whole Life Insurance.

### **Comprehensive Disability Plan (CDP)**

- Effective 1-1-05 Eliminate the current annual Hospital Days made available for employees who have between one and nine years of service. In turn, all current employees will automatically be granted 20 Hospital Days irrespective of years of service or prior usage. Further all new employees will be front loaded at time of hire with 20 Hospital Days to be used when time off meets the Hospital Days off definition. None of the 20 Hospital Days at time of retirement will count towards sick time cash out.
  - Effective 7-1-04 - New California Paid Family Leave Act (PFL) – Require up to seven vacation days (if available) during the required seven day waiting period before the benefit begins. *This is a new state mandated benefit, which began on July 1<sup>st</sup> of this year*
  - Effective 7-1-05 - Move the intake administration of employee sick time after the first three work days to an external administrator
    - Effective 7-1-05 - Mandatory participation in temporary light duty work for an employee who is off on disability. Work that is offered must be at the employees work base and within the temporary medical restrictions of the employee who is off on disability and currently unable to perform the full duties of his or her classification
    - Effective 7-1-05 - Extended CDP at 60% of base. *Currently 60% of base or 115% of SDI*
    - Effective 7-1-05 - State Workers Compensation Permanent Disability and earned income as offsets
    - Effective 1-1-05 - Code 52 eliminated after the first eight hours, after which an employee may use AB109 (Labor Code Section 233), FMLA, Paid Family Leave or vacation. This is an interim agreement as long as California State Labor Code Section 233 remains in place

## Wage Continuation Plan

- Effective 7-1-05 - Agreed to eliminate the plan

## Return to Work Program (RTWP)

- Effective 7-1-05 - Agreed to, increase bonuses for an employee in the RTWP program who finds a job within the first 12 months from \$2000 to \$3000. For finding a job between 12 and 18 months from \$1000 to \$1500. Further add a new bonus category of \$5000/2500 for procuring a job in a newly-established *Critical Need Area*. This will be paid to an employee whenever he/she agrees to taking a job in an area where the Company has temporarily declared a particular department/area a Critical Need
- Effective 7-1-05 - Agreed to a three and a half year clock for the RTWP program
- Effective 1-1-05 - Agreed to Workers Comp rehabilitation vouchers as an offset

## Long Term Disability Plan (LTD)

- Effective 7-1-05 - Include earned income and Workers Compensation Permanent Disability as offsets to LTD.

Effective 7-1-05 - Agreed to the following points:

- Modify definition of disability to "unable to perform own occupation within the first two years of disability for qualifying for LTD, thereafter any occupation for which reasonable suited"
- Modify definition of disability for out-of-service employees who are approved for SSDI must also meet the plan definition of disability in order to remain eligible for LTD benefits
- For employees on SSDI or LTD are eligible to enter the Return to Work Program
- Limit receipt of LTD for mental health/substance abuse/subjective symptoms to two years maximum
- Eliminate prior credit provisions

## Family Medical Leave Act (FMLA)

Effective 1-1-05 - Modify FMLA administration as follows:

- FMLA changed from calendar year to rolling year
- Require 1250 hours worked in previous 12 months
- Elimination of second 12 week period

## Retirement Plan

- Effective 1-1-06 - New Cash Balance Provision - Agreed to Company contribution of \$100 per month per employee to a newly established Cash Balance Sub-Account. *This money will be available at retirement for any employee retiring under the 1999 Cash Balance Retirement Formula.*
- Effective 1-1-05 - Cash Balance Formula - Agreed to terminate the 7% guaranteed interest crediting floor. *Interest crediting rate will be tied to the secondary market of the 30-year Treasury Bonds. Further, agreed to continue setting the annual rate by utilizing the August number as published in early September by the United States government. The elimination of this was necessary in order for the Cash Balance formula to remain qualified by IRS rules.*
- Effective 1-1-05 - Agreed to, eliminate the Cash Balance Subsidy Account for all active employees. *This account was established when the interest crediting minimum floor was agreed to as part of the new formula. The account has been activated anytime the Company was subsidizing or paying more (i.e. 7%) for interest credits than the current 30-year Treasury Bond rate was at and the subsidy would be recovered by reducing the interest crediting rate once interest rates exceed the 7% minimum. That rate has been below the 7% floor for the entire life of the Cash Balance Account.*

## Benefits Agreement

- Effective 1-1-05 - Agreed to document changes in the benefits Agreement and the greater details in the Summary Plan Description (SPD). *The SPD will be provided to all employees and will provide much greater detail and in a far less confusing way.*
- Agreed to capture all Housekeeping changes as a result of changes in Federal and State Law and incorporate any technical corrections as necessary.

The above gives you a comprehensive outline of what is contained in this proposed agreement. This bargaining has been, without a doubt, some of the most complicated in this Local's history. Under the circumstances, the bargaining has produced a very good package.

As you can see upon close examination, this agreement contains a great many changes. Of those changes, many are for the good and some are definitely not what we had hoped for. When you view the problems of spiraling health care costs, both regionally and nationally, that have been ongoing for a number of years the cost shifting to the employee to maintain the level of health care delivery is very small indeed. Further when you look at the statistical data of what companies are doing to medical and pension plans in this country of either slashing benefit levels or outright elimination of those plans it becomes more obvious that this is a very good offering and deserves your most careful consideration. Simply put when you weigh the added membership contributions against the increased company contributions in the retirement and the enhanced 401k company match the net effect is a plus \$1800-2100 yearly increase for IBEW 47 SCE employees.

The ballots will be mailed to your home on Tuesday, July 13<sup>th</sup> for a vote. Ultimately the decision as to how you vote is completely in your hands but as was already stated, your committee unanimously recommends that you ratify the package. Please do not forget to vote and have your ballot back in the Union's post office box by the morning of Wednesday, August 4<sup>th</sup> for the ballot committee to conduct the count.

If you have any questions, don't hesitate to contact Pat Lavin, Mike Moore or any of the various members of the committee.

Fraternally,

/s/ Patrick Lavin  
Business Manager

/s/ Mike Moore  
Senior Assistant Business Manager

/s/ Dillie Farris, Supervising CMA-Rialto  
/s/ Warren "Pete" Freeman, Electrician-Moorpark  
/s/ Jeff Flory, E-Crew Foreman-Redlands  
/s/ Roger Heldoorn, Troubleman-San Jacinto  
/s/ Eric Hetrick, System Operator-Vista  
/s/ Ernie Lopez, Troubleman-Covina  
/s/ Dwight Morgan, Area Com Tech-Covina  
/s/ Greg Vetter, FSR-Dominguez Hills  
/s/ Ron Delgado, Troubleman-Foothill