

Memorandum of Agreement

By and Between

**Spectra Energy, McMahon Plant (The Company)
and
Unifor, Local 686B (The Union)**

This Memorandum will confirm the recommendation of the Union Committee's full and final agreement, subject to ratification, reached on February 11, 2014 between the Company and Local 686B McMahon respecting the Collective Agreement for the period of February 1, 2013 to January 31, 2016.

The terms of this agreement are:

- Changes to Collective Agreement language as attached.
- All items will be effective from the date of ratification, unless otherwise specified.
- Wage increases as per the National Energy Pattern Agreement of 3.25% effective February 1, 2013, 3.5% effective February 1, 2014 and 3.75% effective February 1, 2015.
- Retroactivity to February 1, 2013 will apply to wages, shift differentials and wage related premiums for all employees who are active on date of ratification or who have retired subsequent to February 1, 2013.
- An additional \$70.00 will be added to the Northern Travel Allowance effective retroactive to February 1, 2013 subsequent to the general wage increase.
- All per diems are increased to \$70.00 per day.
- BC Family day added as an additional recognized statutory holiday.
- Increase to Steam Ticket Bonus/Premium as follows, inclusive of the 2013 general wage increase. Normal ratchet to be applied in 2014 and 2015.
 - First Class – From \$255.80 to \$600.00
 - Second Class – From 215.83 to \$500.00
 - Third class – From \$79.96 to \$200.00
- Removal of Level 2 for Maintenance LOP, replace current Senior Craftsperson Level 1 rate (\$48.14) for Senior Craftsperson with current Level 2 rate (\$50.54) prior to general wage increase.

- The following Letters of Understanding have not been renewed:
 - Page 70 – Reduced Hours of Work
 - Page 78 – Amendment To The Workplace Change Letter Of Understanding Dated May 10, 2001
 - Page 99 – Warehouse Person

For Memorandum of Agreement Only:

The existence of a pension advisory committee is established in law within the Ontario Pension Legislation wherein our pension plan is registered. In accordance with the Ontario legislation the employee pension advisory committee will continue to exist. This committee will also be provided a similar education session with regard to benefits at the same meeting.

- Monies associated with retroactivity will be deposited to the accounts of those persons entitled on March 28, 2014.
- The parties agree to work collaboratively to ensure that the new Collective Agreement resulting from this Memorandum of Agreement is completed within 90 days of ratification.
- Revised allowances and premiums will be retroactive for all employees who are active on date of ratification or who have retired subsequent to February 1, 2013, as follows:

<i>Category</i>	<i>Rate @ Jan 31/12</i>	<i>Rate @ Feb 1/13</i>	<i>Rate @ Feb 1/14</i>	<i>Rate @ Feb 1/15</i>
Northern Travel Allowance	\$648.36	*\$739.43	\$765.31	\$794.01
Meal Allowance	\$31.97	\$33.01	\$34.17	\$35.45
Safety Boot allowance	\$247.81	\$255.86	264.82	274.75
Power Engineering Certificate Bonus				
1st Class	\$255.80	**\$600.00	621.00	644.29
2nd Class	\$215.83	**\$500.00	517.50	536.91
3rd Class	\$79.96	**\$200.00	207.00	214.76
Shift Differentials	Plus 3.25%	Plus 3.25%	Plus 3.50%	Plus 3.75%
BC Industrial First Aid Certificate	\$1.29	\$1.33	\$1.38	\$1.43


*A onetime \$70.00 increase to Northern Travel Allowance effective February 1, 2013 subsequent to the general wage increase for that year.

**Steam Allowance to be improved as per the above in 2013 inclusive of ratchet. Normal ratchet to be applied in 2014 and 2015.

The agreement shall remain in effect until January 31, 2016 and shall automatically continue in effect for one year periods after January 31, 2016 unless either party shall give notice in writing at any time within four months immediately preceding the date of expiry, of its desire to amend or terminate this Agreement.

Signed in Fort St. John, BC this 11th day of February, 2014.

For the Company



Darren Wait



Brock McClarty

LJ Lawson



Den McCroome

For the Union

Jan Mendrek



Ken Maher



Steven Nelson



Dallas Friesen



Vince Lukacs

ARTICLE II – RELATIONSHIP

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, disability, 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.

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:

Hours worked	01-Feb-13	01-Feb-14	01-Feb-15
4 pm to midnight /hour	\$1.62	\$1.68	\$1.74
Midnight to 8 am /hour	\$2.81	\$2.91	\$3.02

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:

Hours worked	01-Feb-13	01-Feb-14	01-Feb-15
Day Shift /hour	\$1.06	\$1.10	\$1.14
Night Shift /hour	\$2.41	\$2.49	\$2.58

(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:

Hours worked	01-Feb-13	01-Feb-14	01-Feb-15
8 am - 4 pm /hour	\$0.77	\$0.80	\$0.83
4 pm to midnight /hour	\$1.62	\$1.68	\$1.74
Midnight to 8 am /hour	\$2.81	\$2.91	\$3.02

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

ARTICLE VII - COMPANY RECOGNIZED HOLIDAYS

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

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

(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.

ARTICLE VIII - LEAVE OF ABSENCE

8.03(a) 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.

(b) The Company agrees to maintain employees whole for the time lost from their regular work schedule while they are on union business and the Union agrees to reimburse the Company for the wages so paid.

The Company will provide the Union an invoice for the wages paid and the Union will, within a reasonable period of time, reimburse the Company. Such maintenance of wages will not apply to the circumstances as contemplated in article 8.04.

Page 42

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.

[Removal of language below which indicates "one or more years of company service" and the rates. Rates are included in the rate table.]

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, 2013 to January 31, 2016.

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 [Date of Ratification].

SPECTRA ENERGY

Darren Wait
Brock McClarty
L.J. Lawson
Don McCroome

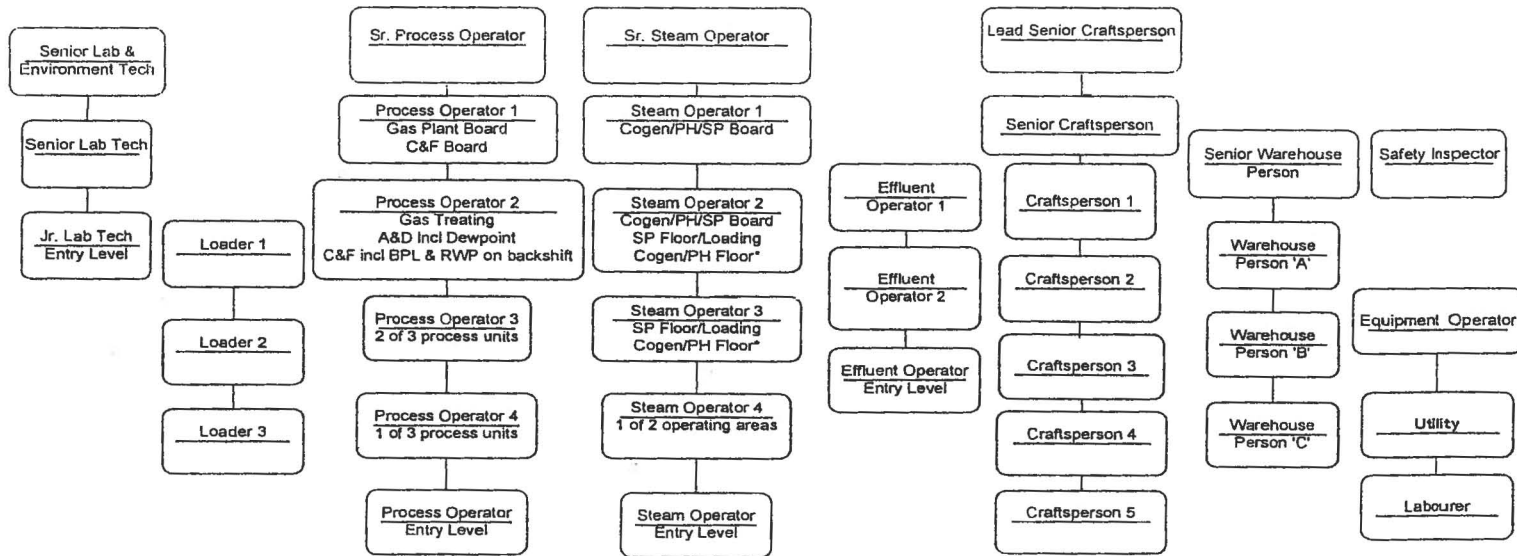
UNIFOR, LOCAL 686B

Jan Mendrek
Steve Nelson
Richard Friesen
Dallas Friesen
Ken Maher

UNIFOR

Vince Lukacs

Amend Appendix B – Progression Chart (page 50) as follows:



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.
- Employees in the Labourer classification will be assigned to provide absence coverage for the Loader Line of Progression and paid according to the Loader LOP.

LEAD SENIOR CRAFTSPERSON CHANGES

Wage Table (Page 48)

Lead Senior Craftsperson rate of pay will be included in the wage table. "****NOTE: Lead Senior Craftsperson will be paid at a rate of 106% of the employee's wage rate (base, level 1 or level 2)." will be removed from the bottom of the wage table.

Maintenance Line of Progression (Pge 57)

MAINTENANCE

LEAD SENIOR CRAFTSPERSON

Must be qualified as a Senior Craftsperson.

NOTE

This position will be biddable and not backfilled for absences. The Lead Senior Craftsperson's responsibilities will be in conjunction with the normal responsibilities of a craftsperson. In consultation with the Union, this is an ever evolving position and the general requirements include areas such as;

- Urgent and Emergency Orders
 - Plan and coordinate emergency work
 - Deal directly and quickly with all safety concerns and issues
- Follow up on Parts
 - Perform final coordination in preparation to perform the tasks on the approved Work Schedule
- Permits
- Review Daily Notifications
- Multi Trade Urgent/Emergency
 - Participate in morning shop meetings to gather updates and direct the crew
 - Merging multitrade jobs so that they are seamless
 - Distribute approved Work Packages for the tasks on the approved Work Schedule
 - Distribute Completed Work Package documentation to the necessary stakeholders and ensure order status updates and work history is updated by the trades people.
- Completed Work Follow up with Ops
 - Coordinate up coming work with Operations Maintenance Coordinators
 - Ensure Ops and Maintenance Team Leads are updated with current job statuses.
- Update PM's
- Sour Jobs – Designate
- Planning
 - Work with the Planning and Scheduling department to ensure proper processes are followed in Work Management and SAP.
 - Review Work Schedule and Work Packages with all Work Performers.
 - Ensure proper and thorough documenting of information is recorded in SAP by all work identifiers and executors.

CHANGES TO UTILITY PROGRESSION

Utility Progression (Pge 60)

Utility

NOTE

Employees will be required to perform any work assigned in this line of progression that they are qualified for and must complete training as requested for the following: grove crane, hiab, Warehouse coverage, construction level scaffolding and asbestos removal (glove bagging or encapsulation only).

GENERAL EQUIPMENT OPERATOR

Twelve months service as a Utility Worker.

UTILITY

Requirements of labourer and completion of training for the operation of power handtools, pressure washing, bobcat operation, forklift operation, genie, sellick, confined space work, vessel watch/fire watch and Cart Person.

LABOURER

Grade 12 education or equivalent technical training. Must obtain transportation of dangerous goods certification. Must possess valid class 5 drivers' license. General duties such as; yardwork, painting, assisting maintenance, assisting operations, housekeeping, and filter changing.

Letter of Understanding

By and between
Spectra Energy, McMahon Gas Plant (The Company)
And
Unifor, Local 686B (The Union)

October 11, 2013

Harassment Policy

Should an employee feel they have been harassed, The Union and the affected employee(s) may elect to follow the provisions of the Company's harassment policy and procedure rather than the grievance provisions of the collective agreement. If the employee chooses to file a complaint pursuant to the policy, he/she must complete the procedure pursuant to the terms of the policy. However, if an employee also wishes to file a harassment grievance pursuant to the grievance procedure it must be done in the following manner:

- Once the grievance has been initiated (Step 1); the employee may also choose to file a complaint through the Company's harassment policy. The employee shall give written notification of the complaint and the grievance to the ER/LR Representative. The grievance will be advanced to Step 2 with notice to hold in abeyance until the complaint has been heard pursuant to the terms of the Company's harassment policy.
- It is understood that the grievance be held at Step 2 and not heard. Should the grievance be argued at Step 2 or advanced beyond Step 2 prior to the election or completion of the procedure outlined in the Company harassment policy, the employee will not be entitled to pursue the procedure through the Workplace Harassment Policy.
- Should the employee and the Union not be satisfied with the final result of the Company's harassment policy investigation the grievance may, at their discretion, be reactivated and advanced to arbitration for resolution.
- Notice to advance the complaint to arbitration shall be given within thirty days of the procedure taken above.

If an informal or formal complaint is made and the complainant or the person whose behavior is the subject of the complaint is represented by a union, the employee's right to representation under the terms of the collective agreement must be followed. At the request of the employee, the union will be informed of the result of the investigation.

For the Company:

For the Union:

Darren Wait
Director, McMahon

Jan Mendrek
President, Unifor Local 686B

LETTER OF UNDERSTANDING

[Date of Ratification]

Unifor
Local 686B
Taylor, B.C.

RE: Temporary Employees

The Company and Union agree that temporary employees hired after March 22, 2012 will not be paid equalized pay as per Clause 5.04. Temporary employees will be paid for hours worked during each pay period and all other aspects of Article V would apply.

Should a temporary employee's expected term of employment extend beyond six (6) months the Parties will discuss whether 5.04 would apply.

Jan Mendrek
President, Unifor Local 686B

Darren Wait
Director, McMahon Plant

LETTER OF AGREEMENT

[Date of Ratification]

Unifor
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 they would like to attend a school tutorial for. The Company will provide to the employee a three week leave paid for each of the 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 \$70.00 / day).

COMMUNICATIONS, ENERGY SPECTRA ENERGY
AND PAPERWORKERS UNION
OF CANADA

Jan Mendrek
President, Unifor Local 686B

Darren Wait
Director, McMahon Plant

Letter of Agreement
by and between
Spectra Energy, McMahon Plant (The Company)
and
Unifor, Local 686B (The Union)

[Date – applicable from date of ratification]

RE: Temporary Upgrades from the Bargaining Unit

Further to discussions at negotiations regarding the temporary upgrading of bargaining unit employees, the following guidelines have been agreed upon.

1. The leadership positions requiring temporary upgrades will be annually posted at the McMahon Plant. **Applicants must be qualified as a Senior Craftsperson, Lead Senior Craftsperson, Steam Operator 1, Senior Steam Operator, Process Operator 1 or Senior Process Operator.**
2. Assignments to upgrade positions will be done on a rotational basis for all successful applicants for each position requiring upgrading, in order of seniority. Assignments to each of these pools will be subject to a preference given to employees in the line of progression that reports up to the leadership position requiring upgrading. With these points in mind, the Company will endeavor to equalize the opportunities for upgrading within each pool of employees for each leadership position.
3. Bargaining unit employees temporarily assigned to cover such positions shall receive an additional 10% of the **top rate for the progression (Lead Senior Craftsperson, Senior Steam Operator, Senior Process Operator).**
4. A bargaining unit employee temporarily upgraded to a leadership position will be responsible for overseeing execution of the work schedule, participating in planning meetings in accordance with the work management system, escalating potential areas of risk to safety or reliability of the operation, and participating in meetings or projects related to the operation.
5. A bargaining unit employee temporarily upgraded to a leadership position will not handle disciplinary matters or matters in the grievance procedure.

This letter will be reviewed annually between the Company and the Union so that any issues may be addressed.

UNIFOR

SPECTRA ENERGY

Jan Mendrek
President, Unifor Local 686B

Darren Wait
Director, McMahon Plant

Letter of Agreement
by and between
Spectra Energy, McMahon Plant (The Company)
and
Unifor, Local 686B (The Union)

[Date of Ratification]

COVERAGE for the WAREHOUSE PROGRESSION

The following procedure provides a structured means for the training and use of employees from the Utility progression to provide coverage for the Warehouse progression. The duties to be performed include areas such as:

Warehouse Coverage

- 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

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 utility classification to meet the designation requirements.

The Company will provide the required training for designated employees.

When working in a coverage capacity in the warehouse, 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 coverage position will be paid the applicable premium in addition to any other remuneration to which they are entitled.

UNIFOR

SPECTRA ENERGY

Jan Mendrek
President, Unifor Local 686B

Darren Wait
Director, McMahon Plant