TENNESSEE VALLEY AUTHORITY -

ENGINEERING ASSOCIATION, INC.

AGREEMENTS

OCTOBER 1, 2012

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AGREEMENT RECOGNIZING COLLECTIVE BARGAINING RIGHTS OF EMPLOYEES AND THEIR COLLECTIVE BARGAINING REPRESENTATIVES

TVA and the Engineering Association, Inc. (EA), recognize that the rights of employees to organize, select their own labor organizations, and bargain collectively can facilitate and encourage amicable settlements of negotiable matters between such employees and TVA which can improve the efficient accomplishment of TVA operations. TVA encourages employees to join the labor organization which represents their position.

By this agreement, the parties recognize the rights of employees to form, join, or assist labor organizations; to bargain collectively through representatives of their own choosing; or to refrain from such activities.

TVA recognizes the EA as the exclusive bargaining agent representative for salary policy employees as specified in the EA Articles of Agreement. TVA will continue to recognize the EA or its successor in accordance therewith. TVA shall conduct negotiations with respect to labor agreement provisions affecting employees in this bargaining unit with the EA.

The parties have agreed to a procedure setting forth the requirements for resolving questions arising as to who is authorized to represent a particular bargaining unit. The terms and conditions of that agreement are, by reference, incorporated herein and shall remain in full force and effect during the term of this agreement.

TVA and the EA agree to establish conference machinery and procedures to bargain over wages, hours, and terms and conditions of employment as specifically described in the EA Articles of Agreement and supplementary agreements and agree to resolve negotiation impasses using the procedures set out in that Agreement; to adjust grievances which may arise between employees and their supervisors; and to promote systematic union-management cooperation on matters of mutual agreement. In addition, procedures will be set forth in the EA Articles of Agreement to define the manner in which the parties will conduct their relationship. These provisions on conduct of the relationship relate to the obligation to bargain; the entity with which bargaining takes place; rights of employees to join, form, or assist labor organizations, or refrain from such, without coercion or interference; and provision of reasonable and relevant information for grievances and reasonable access to TVA facilities; and shall provide for an expedited grievance process up to and including final and binding arbitration on these issues.

TVA and the EA recognize that TVA is an agency of and is accountable to the government of the United States of America and, therefore, must operate within the limits of its legal authority and responsibility and cannot surrender the ultimate authority of the United States. TVA and the EA recognize that management and employees are devoted to serving the public and our customers. This recitation recognizes that the TVA Act authorizes the TVA Board of Directors to direct the exercise of all the powers of the corporation.

In carrying out the Board's responsibilities under the TVA Act, TVA agrees to bargain with the EA over wages, hours, and other terms and conditions of employment, except as otherwise agreed on or reserved to management in the Articles of Agreement.

TVA and the EA recognize that their relationship is established under Section 3 of the TVA Act, the "Agreement Recognizing Collective Bargaining Rights of Employees and Their Collective Bargaining Representatives," the EA Articles of Agreement and supplementary agreements, and the history of relations between TVA and the labor organizations representing salary policy employees, not pursuant to any other legislation not specifically applicable to TVA or to any other requirements. The parties agree that the unique foundation of this relationship shall be considered in interpreting this bi-lateral Agreement rather than the principles developed for regulated labor relations arrangements.

This agreement is binding on the signatory parties and any successor labor organizations, if any, November 25, 1997, through May 8, 2012, and shall be self-renewing for periods of ten years thereafter, unless either party provides written notice to the other party at least 18 months in advance of any expiration date of this Agreement.

In the event that notice of expiration of the Articles of Agreement were given, TVA and the EA would follow the impasse resolution procedures set out in those Articles. Even if those Articles were to expire, TVA would continue to recognize the EA and to bargain with it over those matters that are then mutually agreed to be within the scope of bargaining and using any dispute resolution procedures that are then mutually agreed on.

By: 12/19/97
Peyton T. Hairston, Jr.
Senior Vice President
Labor Relations
Tennessee Valley Authority

By: 12/19/97
LeRoy Beasley
Valley-Wide President
Engineering Association, Inc.

ARTICLES OF AGREEMENT

Article I. Recognition of Engineering Association, Inc.

A. TVA recognizes the Engineering Association, Inc. (EA), as the exclusive bargaining agent for all employees in positions involving professional engineering, architectural, chemical, economic, and computer systems functions, all employees in positions involving professional scientific and program planning and administration functions, and all employees in positions involving inspection, aide, or technical functions in engineering and scientific fields.

B. TVA and the EA recognize that they must clothe their representatives with sufficient authority to negotiate and enter binding agreements and that they necessarily must provide for orderly and expeditious methods of conducting their business.

   TVA and the EA shall each designate an individual who is authorized by them to finally and conclusively bind them in negotiations and all other matters arising under this contract. The parties shall keep each other informed in writing of the individual so designated. However, nothing in this Agreement will affect reservations of authority to the TVA Board.

C. The TVA official responsible for Labor Relations resolves questions concerning the appropriateness of a proposed bargaining unit, including unit clarifications and accretions. The union which proposes to represent a bargaining unit makes a request to that official for a determination of the appropriateness of such unit and gives supporting reasons for its request. This provision does not apply to resolutions of disputes regarding management work. (See Supplementary Agreement 1:E.)

Article II. Management Responsibilities

In addition to its inherent management rights, TVA retains the authority to: (1) determine its mission, budget, organization, number of employees, and internal security practices; to suspend, discharge, or otherwise discipline employees for cause; to develop qualification standards; to develop and administer a classification process; to establish standard work schedules; and to direct and assign work; (2) contract work, close down or relocate any TVA facility or operation or any part thereof, and reorganize any or all of its operations or organizations. The Contracting Decision Model approved by the TVA Board of Directors will be used to evaluate work that is to be performed by TVA resources and by contract and, under it, the EA will have opportunity to give input; (3) take whatever immediate actions may be necessary to carry out TVA's mission during emergencies; "emergencies" are generally defined as work required to prevent interruption of critical customer service, prevent the loss of a critical unit or transmission facility, prevent significant damage to equipment or facilities, return a critical unit or transmission facility to immediate service, prevent and/or mitigate any danger to plant or public or employee health and safety, or any such significant events beyond the control of TVA which require immediate action; (4) promote timely action and consistent interpretation of personnel and other procedures and practices and develop, communicate,

and amend them as needed. TVA agrees that such activity will be limited to that which is not inconsistent with provisions and conditions of this Agreement. Any inconsistency with the provisions of this Agreement may be challenged through the grievance procedure. A copy of published practices and procedures must be furnished to the EA no later than 10 days prior to its implementation where feasible; (5) discuss any concerns with any employees or groups of employees; provided, however, that such discussions will be to understand the concerns of such employees and not to negotiate over otherwise negotiable terms and conditions of employment; (6) operate a quality improvement program; provided, however, that quality committees will not negotiate or decide otherwise negotiable terms and conditions of employment; (7) designate positions as management; provided, however, that criteria used for such designation will be determined through negotiations; (8) require, provide, develop, and administer training to employees as necessary in order to meet the needs of the service.

Further, it is specifically agreed that the following items are management responsibilities, and TVA is not obligated to bargain over them: (1) matters governed by federal law, including regulations and Executive Orders. To the extent that the law provides flexibility in its implementation, such matters are within the scope of bargaining unless otherwise excluded by this Agreement; TVA will notify the EA of changes in the law having significant impact on TVA's treatment of employees; (2) the TVA Retirement System, while its board of directors continues as it is currently structured under the rules and regulations of the system; (3) the program for determining fitness for duty related to TVA's nuclear facilities; (4) the development and operation of health and safety rules and requirements; (5) management programs designed to recognize groups or individuals, to celebrate events or achievements, and similar activities; (6) fact-gathering investigation procedures.

This Agreement significantly expands the matters on which TVA and the EA have agreed to collectively bargain. As a result, some matters are now within that scope of bargaining but are not explicitly covered by this Agreement. Therefore, the parties agree that:

- All such matters remain the prerogative of management until such time as provisions governing them may be negotiated and added to this Agreement.

- However, if TVA plans to implement changes on a matter that is within the agreed-on scope of bargaining and not reserved to management, and if the EA requests negotiations on that matter, TVA will not implement those changes until the negotiation process has been completed.

Article III. Conduct of the Relationship

The following practices will not be engaged in by the parties:

(1) Refusal to bargain over a matter that is within the agreed-on scope of bargaining after a written request to do so.
(2) Negotiation by TVA with an entity or individual other than the EA over a matter that is within the agreed-on scope of bargaining.

(3) Interference, restraint, or coercion of employees in the exercise of their rights to form, join, or assist a labor organization or to refrain from doing so by either party to this Agreement.
(4) Failure by either party to provide reasonable and relevant information or documents requested by the other party for use in the processing of a grievance under the supplementary agreements; failure by TVA to provide reasonable access to its facilities consistent with normal security practices to EA representatives for the purpose of carrying out their representational activities; and denial or attempted denial of access to an appeal procedure provided for under these Articles of Agreement or the supplementary agreements or reprisal for using such procedures.

The EA or an employee may file an EA agency grievance alleging a violation of any of the above by TVA with the TVA official responsible for Labor Relations. If such a grievance is filed by an employee, TVA will forward a copy to the EA. TVA or an employee may file an EA agency grievance alleging a violation of any of the above by the EA with the EA President or his/her designee. If such a grievance is filed by an employee, the EA will forward a copy to TVA. Such a grievance must be filed, in writing, within 15 days of the date of the event complained of or knowledge of the event. The grievance must describe in specific terms the practice which was engaged in and the facts and events which constitute the violation.

That official will call a conference of the interested parties within 15 days of receipt of the EA agency grievance for the purpose of seeking adjustment of the grievance, considering all relevant information and clarifying the issues and facts. That official will issue a written decision within 10 calendar days after the conference is completed.

This decision may be appealed to binding arbitration by the EA or TVA pursuant to Supplementary Agreement 11:D within 10 days after receipt of the written decision. The parties agree to attempt to schedule such arbitration on an expedited basis and to request that the arbitrator issue a decision within 30 days of the hearing. In reaching a decision, the arbitrator may not add to, subtract from, or modify any term or provision of this Agreement or render a decision contrary to federal laws or regulations applicable to TVA.

This process may not be used to appeal a matter that is otherwise within the scope of the grievance procedure set out in the supplementary agreements. (In this Agreement, the term “employee” includes the union acting in behalf of an employee or group of employees.)

Article IV. Status of the Collective Bargaining Agreement

A. Matters negotiated between TVA and the EA are contained in the Collective Bargaining Agreement. TVA may depart from such agreements when required by federal law or regulation; such departures are to be only from the part(s) of an agreement which the law or regulation affects. TVA must notify the EA immediately when it is required to depart from any agreement pursuant to this provision.

B. This Collective Bargaining Agreement becomes fully binding upon TVA, the EA, and the employees, individually and collectively, when signed by the representatives of those organizations and shall continue in full force and effect from October 1, 2012, through September 30, 2015, and shall automatically renew for successive three-year periods thereafter, unless TVA or the EA gives written notice of its desire to modify the Collective Bargaining Agreement on or before March 1, 2015, or March 1 of any successive third year in a renewal period. If such notice is given, the parties will, within 90 days of the notice, meet in joint conference to discuss the reason for giving notice and negotiate renewal, revision, or replacement of the Collective Bargaining Agreement. If agreement is not reached impasse will be declared. See Article IV:C-2 for nonmonetary advisory dispute resolution procedure.

Notwithstanding the provisions above, the parties may meet at any other time by mutual agreement to conduct negotiations on any provision of this Collective Bargaining Agreement and may, by mutual agreement, revise any provision of it.

C. Dispute Resolution
TVA and the EA agree to utilize the following dispute resolution procedures if impasse is reached on monetary or nonmonetary issues.

1. Monetary

If the parties, having met in joint conference, do not reach agreement on basic salary rates for any job family or on any monetary item, either party may invoke the services of a mediator. The mediator is selected jointly by the parties from a list of five mediators obtained from the American Arbitration Association. If the parties are unable to jointly select a mediator from the list, each party will cross off the name of a mediator until only one name is left, and the mediator whose name is left will be asked to serve. The compensation and expenses of the mediator are borne equally by TVA and the EA.

If agreement is not reached through mediation, either party, within 30 days after the end of mediation, may refer the matter to an Arbitration Team and will so notify the other party. One member of the Arbitration Team is selected by TVA from a list of three arbitrators developed by the EA; one member is selected by the EA from a list of three arbitrators developed by TVA. The third member will be jointly selected by the parties from a list of five arbitrators obtained from the American Arbitration Association. If the parties are unable to jointly select an arbitrator from the list, each party will cross off the name of an arbitrator until only one name is left, and the arbitrator whose name is left will be asked to serve. Arbitrators selected for the team must be members of the National Academy of Arbitrators. The compensation and expenses of the Arbitration Team are borne fully by TVA.

A hearing before the Arbitration Team will be scheduled at a mutually agreeable date and site. Each party will submit to the Arbitration Team a statement of its final offer/request made prior to mediation, with regard to basic salary rates for each job family and each monetary issue in dispute, and send a copy of the statement to the other party.

At the close of the hearing, either or both parties may advise the Arbitration Team of its intent to submit a brief to the Arbitration Team within 30 days. If a brief is submitted, a copy is sent to the other party.

The Arbitration Team will decide with respect to the entire job family whether TVA's final offer or the EA's final request on the negotiated annual pay budget should be adopted. The Arbitration Team will also decide for each job whether TVA's final offer or the EA's final request on market rates should be adopted. The Arbitration Team will also decide with respect to each separate monetary issue in dispute whether TVA's final offer or the EA's final request will be adopted.

The Arbitration Team, in reaching a decision on the basic pay budget and market rates will consider only the published data, or the custom survey used in conjunction with published data; except that the Arbitration Team may consider additional or alternative data from any other sources agreed on by the parties in writing for the purposes of such arbitration proceedings. TVA's ability to be competitive in its delivery of products and services shall be a factor considered by the Arbitration Team in resolving any dispute with respect to pay budget or market rates.

Pending receipt of the Arbitration Team's decision, all agreed-upon rates are put into effect on the same date as if all rates had been agreed to. No disputed rates are put into effect until receipt of the Arbitration Team's decision. However, TVA may implement its final offer on any disputed pay budget and/or market rate if it results in an increase. Upon receipt of the Team's decision, any necessary adjustments are made retroactive to the date on which the rates agreed to in negotiations were made effective. The decision of the Arbitration Team is final and binding on both parties.

Any salary adjustment and its distribution, and monetary issues decided through the process of mediation and/or arbitration, will become effective on the beginning of the pay period determined by TVA to be the start of the new pay year, the same date agreed-upon rates and monetary items are made effective.

2. Nonmonetary

If the parties, having met in joint conference, do not reach agreement, either party may invoke the services of a mediator who is the joint selection of the parties from a list of five mediators obtained from the American Arbitration Association. If the parties are unable to jointly select a mediator from the list, each party will cross off the name of a mediator until only one name is left, and the mediator whose name is left will be asked to serve. The compensation and expenses of the mediator are borne equally by TVA and the EA.

If agreement on an issue is not reached through mediation, either party, within 30 days after the end of mediation, may refer the matter to a tribunal for decision. The tribunal consists of one member appointed by TVA, one member appointed by the EA, and one member selected from a list of five persons jointly developed by the parties. Selection from this list will be by mutual agreement or, if no agreement is reached, by each party alternately crossing off the name of an individual until one name is left. The individual

whose name is left will be asked to serve. The parties shall bear the costs for their own appointee and shall share the costs equally for the third party.

Within 30 days after selection of the full tribunal, each party will submit to the tribunal a statement of its final position which is established prior to mediation on each issue to be arbitrated. It sends a copy of the statement to the other party.

Either party may request the tribunal to hold a hearing. If requested, a hearing will be scheduled within 30 days at a mutually agreeable site. At the close of the hearing, either or both parties may advise the tribunal of its intent to submit a brief to the tribunal within 30 days. If a brief is submitted, a copy is also sent to the other party.

a. Nonmonetary - Final and Binding

For issues subject to final and binding arbitration, the tribunal renders a recommended resolution to the dispute within 30 days after the close of the hearing or 60 days after the close of the hearing if either of the parties has indicated its intent to submit a brief as provided above. The tribunal will reach the decision on the basis of the information presented prior to, during, and if applicable, after the hearing.

Within 30 days after receipt, TVA and the EA inform each other of their acceptance or rejection of the resolution or of their willingness to accept the resolution with certain modifications. If no agreement is reached, the parties will jointly inform the tribunal of the failure to reach agreement. The tribunal will issue a decision based on either TVA's last offer prior to mediation or the EA's last request prior to mediation with regard to each disputed item. This majority decision is final and binding on TVA and the EA.

b. Nonmonetary - Advisory

For issues subject to advisory arbitration, the tribunal will reach a decision on the basis of the information presented prior to, during, and if applicable, after the hearing. The tribunal will render an advisory decision within 30 days after the close of the hearing or 60 days after the close of the hearing if either party has indicated an intent to furnish a brief to the tribunal and the other party. Within 30 days after receipt of the decision, TVA and the EA will inform each other of their acceptance or rejection of the decision or of their willingness to accept the decision with certain modifications.

For issues regarding Articles I through IV of the Collective Bargaining Agreement, if agreement is not reached through mediation within 45 days, the dispute is referred to the tribunal described in Article IV:C-2 for an advisory opinion. Within 30 days of receipt of the decision, TVA and the EA inform each other of their acceptance or rejection of the opinion or of their willingness to accept the opinion with certain modifications. If both parties do not agree, the Collective Bargaining Agreement shall expire on September 30, 2015, or 30 days following either party's notification of rejection of the arbitration decision, whichever is later.

3. Matters Resolved by Final and Binding Arbitration

Matters in dispute directly covering the following subjects are ultimately resolved through final and binding arbitration:

pay, including salaries; determination of salaries, salary administration procedures, merit pay progression; overtime and premium pay, including pay for time spent in required travel and for reporting for physical examinations;

monetary benefits, including medical, dental, and other insurance; pension contributions (excluding the TVA Retirement System); disability; and protective eyewear;

paid time off, including holidays, sick leave, annual leave, and other time off to the extent permitted by federal laws and regulations;

severance pay;

demotion, furlough and suspension, and disciplinary procedures;

involuntary termination (except for reduction in force);

consideration for placement during notice of reduction in force and reemployment consideration after reduction in force;

procedure for adjusting grievances (excluding the definition of grievability);

employee service reviews;

cooperative conference programs;

use of bulletin boards;

probationary periods;

union membership and payroll deductions for dues and fees, union representation on the job, and leave without pay to work for a labor organization.

Any impasse reached in negotiations on any other subject within the scope of bargaining is resolved through the advisory arbitration process.

By: _____ 11/20/12
Peyton T. Hairston, Jr. (Dated)
Senior Vice President
Diversity and Labor Relations
Tennessee Valley Authority

By: Gay Henson 12/4/12
Gay Henson (Dated)
Valley-Wide President
Engineering Association, Inc.

SUPPLEMENTARY AGREEMENT 1

S–1 Definition of Bargaining Unit

A. Defined Bargaining Unit

Engineering Association, Inc. (EA)

TVA recognizes the EA as the exclusive bargaining agent for all employees in positions involving professional engineering, architectural, chemical, economic, and computer systems functions; all employees in positions involving professional scientific and program planning and administration functions; and all employees in positions involving inspection, aide, or technical functions in engineering, and scientific fields, excluding all employees in positions covered by other collective bargaining agreements and all employees in positions defined in sections D and E of this Supplementary Agreement.

B. Classes and Positions in Defined Bargaining Units

TVA maintains a list of classes included in the defined bargaining units. TVA assigns new classes of work to the appropriate bargaining unit based on related work.

C. Resolution of Disputes

Disputes with respect to the assignment of new or revised classes to defined bargaining units, the establishment of classes not assigned to any bargaining unit, or the designation of excluded classes will be resolved by the Vice President, Labor Relations.

D. Positions Excluded from Bargaining Units

The following employees shall be excluded from collective bargaining units:

1. all administrative assistants;
2. all employees on Labor Relations staffs;
3. all employees on corporate, organizational, regional, and site Human Resources (except for Health Services positions which are currently in the bargaining unit), Shared Resources (except for Fire Protection Engineer positions), and Labor Relations staffs;
4. all secretaries to plant managers and site general managers;
5. all employees on the Office of the General Counsel staff;
6. all employees on the Inspector General staff;
7. all employees on the Corporate Responsibility and Diversity staff; and
8. all other employees engaged in the processing of or formulation of positions on grievances, wage data, employment practices, terms and conditions of employment, and competitive/confidential business matters.

Changes in titles of positions or names of groups shall not alter the exclusion of the above-referenced positions from collective bargaining units.

E. Management Work

1. Positions meeting one or more of the following criteria are not included in the bargaining units and are not subject to the provisions of the Articles of Agreement.

    a. Positions which determine TVA's philosophy or mission, or an organization's mission, resources, or structure.

    b. Positions accountable for conducting audits, reviews, evaluations or assessments resulting in impact on an organization's staffing or resources.

    c. Positions responsible for rendering managerial decisions involving negotiated union-management agreements, grievances, wage data, employment practices, terms and conditions of employment and competitive/confidential business matters (e.g., Human Resource Consultants, Labor Relations Consultants, Attorneys).

    d. Positions responsible for planning, staffing, organizing, managing and controlling both the work of an organization and its resources (i.e., capital and personnel) necessary to execute the work.

    e. Positions responsible for supervision, including the performance evaluation, disciplinary actions, selections, promotions and pay changes of bargaining unit employees.

    f. Positions assigned the ultimate responsibility of program or project management which requires managing and controlling the project scope, scheduling, coordination, resources, milestones, problem resolution and costs.

2. Dispute Resolution
   Any dispute concerning the designation of a position as management will be resolved in the following manner:

    a. The dispute shall be filed by the EA on a grievance form and submitted to the responsible department manager. Within 30 calendar days of receipt of the classification dispute, management from the responsible TVA organization and the appropriate EA representative will attempt to resolve the dispute and, absent resolution, will jointly conduct a review of the job. Absent resolution through the joint review, TVA will note the unresolved status on the grievance form and give a copy of it to the EA and the Vice President, Labor Relations, and the EA may appeal the dispute to the Vice President, Labor Relations.

    b. The procedure for filing an appeal to the Vice President, Labor Relations, is the same as provided in S-11:C.

c. The EA may appeal the decision of the Vice President, Labor Relations, through the expedited arbitration procedure provided in S-11:D.

SUPPLEMENTARY AGREEMENT 2

S–2 Classification of Positions

A. Classification Plan

TVA develops, implements, modifies and administers the classification program. TVA will obtain input and advice from the EA in the development of the classification program. The classification of positions is based on a classification plan which conforms to the principle of equal pay for equal work.

B. Classification Standards

Management assigns positions to job families, classes of work, job titles, and levels based on the full range of duties and responsibilities which a qualified employee can be expected to perform after a reasonable break-in period. In determining the relative difficulty and responsibility of the work and the level to which the position will be assigned, classification standards are used.

C. Job Description

A job description is a report statement which describes the content of an individual position or a group of positions. The purpose of the job description in classification is to describe the major duties and responsibilities, the relative difficulty and level of responsibility of the position and the minimum qualifications needed to perform the work. For occupied positions, management secures the active participation of employees in keeping the job description accurate and current.

Job descriptions do not keep management from assigning to employees related work which is not mentioned in their job descriptions. This includes assignments made for training purposes. Management reviews job descriptions when the work has changed substantially even though there is no status change action.

In stating qualification requirements in a job description, no reference to a maximum age limit or an acceptable range is made unless a determination has been made pursuant to federal law and regulation that age is a bona fide occupational qualification.

D. Reclassification of Positions

A reclassification is distinguished from status changes such as transfer, demotion, or promotion of an employee to a new or different position. A “reclassification” results when a position is reviewed, and it is determined that the change in duties and responsibilities require a change in job family, class of work, job title or level.

Ordinarily, the addition or deletion of duties and responsibilities is gradual over a period of time. The reclassified position usually contains some of the duties and responsibilities of the position as formerly classified.

The procedure of comparison with the qualifications of other candidates, which applies to promotion to a new or vacant position, does not apply to promotions resulting from position reclassification. However, the demotion, transfer, or reduction-in-force procedures are applicable when a position is reclassified to a lower level.

Reclassifications involving a change from one bargaining unit to another require notification to the appropriate unions.

E. Disputes

A classification dispute arises when an employee disagrees with their assignment by TVA to a classification or level or when the employee feels the work he or she is performing is outside his or her current classification or level. An employee must file a classification dispute within 20 calendar days of the assignment or at any time the employee feels his or her work has exceeded his or her current classification or level.

The dispute shall be filed on a grievance form and submitted to the responsible department manager. TVA will distribute the grievance form to the EA. Within 15 calendar days of receipt of the classification dispute, management from the responsible TVA organization and the appropriate EA representative will conduct a review of the classification dispute and attempt to resolve the dispute. Absent resolution, TVA will note the unresolved status on the grievance form and provide a copy to the employee, the EA, and the Vice President, Labor Relations, and the dispute may be appealed to the Vice President, Labor Relations.

An appeal to the Vice President, Labor Relations, will be as provided in S-11:C.

The EA may appeal the decision of the Vice President, Labor Relations, through the expedited arbitration procedure provided in S-11:D.

The effective date of a decision granting the employee's request will be the first full pay period after the date the classification grievance was filed.

F. Responsibility for or Temporary Assignment of Higher-Level Duties

If an employee is regularly responsible for work of a higher-level position when the incumbent of that position is absent, such work is a normal part of the job and is considered as one of the functions of the job in determining the classification of the position on a continuing basis.

If an employee is assigned the full duties and responsibilities of a higher-level position for a period of more than 10 consecutive scheduled workdays (or the equivalent in an alternate work schedule) and the temporary responsibility for such duties is not part of

the normal position, a change in status is required. If an employee is assigned only part of the duties and responsibilities of a higher-level position for a period expected to extend beyond 10 consecutive scheduled workdays (or the equivalent in an alternate work schedule), the position should be reviewed to see whether a change in status is warranted. Regardless of whether a change in status is required, a record of this higher-level experience is reflected in the employee's service review.

SUPPLEMENTARY AGREEMENT 3

S–3 Work Schedules

A. Basic Schedule Provisions

1. Regular Schedules of Work

The normal workweek will be Monday through Sunday with shifts scheduled during the workweek as follows: five 8-hour days, four 9-hour days (with a 4-hour day to complete the 40-hour workweek or an 8-hour day every other workweek to complete the 80-hour pay period), four 10-hour days, or three or four 12-hour days based on business need. Employees working three 12-hour days in a single workweek must be scheduled a minimum of 44 hours in the other workweek of that same pay period. Depending on which schedule they work, employees should receive an 80 straight-time hour pay period or a minimum of 76 straight-time hours with at least 4 hours of overtime of which are not subject to threshold.

- Full-time employees are scheduled for no more than five basic workdays in a workweek of Monday through Sunday. Work schedules are established for not less than one workweek. Days for which no work is regularly scheduled are defined as nonworkdays. Whenever feasible, Sunday is designated as a nonworkday. Nonworkdays in a scheduled workweek are scheduled to fall on consecutive days whenever feasible.

- Part-time employees are scheduled in advance to work on one or more days in each workweek and a total of fewer than 40 hours a week. Any number of hours up to 12 may be scheduled in any day. Scheduled hours need not be the same for each day of the week. A copy of the schedule is given to the employee.

- Intermittent employees are not regularly scheduled but work when called on to do so. They are not considered to be on either the flexible or inflexible schedule.

- A day is considered to begin at the designated hour that an employee's shift begins and ends 24 hours later. However, for employees on multiple shifts (fixed or rotating), a day shall begin at the beginning of the night shift and end 24 hours later.

The daybreak for the Monday workday (i.e., 2300 previous day daybreak or 12:00 current day daybreak, etc.) establishes both the beginning of the 24-hour Monday workday and the beginning of the workweek. Once the daybreak is set, it remains unchanged for the remainder of the workweek.

2. Alternative Work Schedules
New Alternative Work Schedules

A new alternative work schedule may be developed and submitted by the requesting organization to TVA Labor Relations for review, coordination, and approval of the Vice President, Labor Relations. If approved, Labor Relations submits the proposed alternative work schedule to the EA for review, coordination and approval. Requests are approved or denied within 30 days unless there is mutual agreement to extend the time limit. If approved the alternative work schedule may only be implemented in the requesting organization for which it was approved.

Preapproved Alternative Work Schedules
For approval and implementation of an approved (previously approved alternative work schedule by the process above after September 2009) alternative work schedule, the requesting organization submits the schedule to TVA Labor Relations for review, coordination, and approval of the Vice President of Labor Relations. If approved, Labor Relations submits the proposed alternative work schedule to the EA for review, coordination, and approval. Requests are approved or denied within 30 days unless there is mutual agreement to extend the time limit. If approved the alternative work schedule may only be implemented in the requesting organization for which it was approved.

3. FLSA Exempt (Flexible Schedule)
Except as otherwise stated in S-3:A-4 below, employees holding FLSA exempt positions on the current Engineering, Information Technology, Scientific, TVA Program Planning and Administration, and Operations Support job families are considered to be on the flexible schedule.

4. Inflexible Schedule
Employees holding positions determined by TVA to be nonexempt under the Fair Labor Standards Act, are on the inflexible schedule.

5. Temporary Placement of FLSA Exempt (Flexible Schedule) Employees on the Inflexible Schedule
Based on business needs (e.g., outages, emergency situations) or when it is not feasible to use compensatory time within a reasonable period, management may temporarily place an FLSA exempt (flexible schedule) employee on the inflexible schedule. Such placement shall be for periods not less than one workweek.

6. Lunch Period
A 30- or 45-minute lunch period is provided for employees on single-shift operations. This may be scheduled by operation management after consultation with EA representatives.

7. Rest Periods
Morning and afternoon rest periods are scheduled for employees engaged in (1) work where operations are monotonous or repetitive or regularly require prolonged

and intense concentration of attention, and (2) occupations which enforce either a continuous sitting or standing posture. Rest periods may be formally scheduled.

Rest periods are not regularly scheduled for employees whose work is not of the nature described in the preceding paragraph. These employees may take brief rest periods when their work justifies relieving fatigue.

The abuse of the rest-period privilege is discouraged.

B. Holidays

1. Designation and Observance of Holidays

Holidays established by federal statute or Executive Order for federal employees are observed by TVA. The following such days are recognized: New Year's Day, Martin Luther King Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving Day, and Christmas. Other days on which Congress or the President orders an excuse from work for federal employees on a national basis are considered as holidays.

When full-time or part-time employees observe a holiday, they still get their basic pay for the day. The amount of pay for part-time employees is based on their scheduled hours for the holiday.

A day observed as a holiday by full-time employees who are scheduled Monday through Friday is observed as a holiday by intermittent employees. They get no pay on holidays unless they work.

Only employees whose services are indispensable are required to work on a holiday.

2. Holidays Falling on Scheduled Nonworkdays

The following rules apply to full-time employees for the observance of holidays which fall on scheduled nonworkdays:

a. When an employee's scheduled workweek is Monday through Friday and a holiday falls on Saturday, the preceding Friday is observed as a holiday; when a holiday falls on Sunday, the following Monday is observed as a holiday.
b. When an employee's scheduled workweek includes Saturday but not Sunday and a holiday falls on Sunday, the next scheduled workday is observed as a holiday; when a holiday falls on his/her other nonworkday, the preceding workday is observed as a holiday.
c. When an employee's scheduled workweek includes Sunday and a holiday falls on his/her first nonworkday in the calendar week, the preceding workday is observed as a holiday; when a holiday falls on his/her second nonworkday in the calendar week, the following workday is observed as a holiday.

d. For employees on work schedules other than 8 hours, the holiday consists of all hours which would constitute a full day under that particular work schedule (i.e., 9 hours, 10 hours, 12 hours, etc.), and employees are not required to take any leave beyond the normal basic workday. The following rules apply to full-time employees on schedules other than 8 hours for the observance of holidays which fall on scheduled nonworkdays:

- For 9- and 10-hour work schedules, holidays that fall on Sunday or Monday offdays will be observed on the next regularly scheduled workday. Holidays that fall on Tuesday through Saturday offdays will be observed on the preceding regularly scheduled workday, except that for 9-hour work schedules holidays which fall on the 4-hour day will be observed on the preceding 9-hour workday.

- For 12-hour work schedules, holidays that fall on the first or second offday in a workweek will be observed on the preceding workday. Holidays that fall on the third or fourth offday in a workweek will be observed on the next workday. If the holiday falls on, or is observed on, the fourth workday in the 4-day workweek (typically known as the overtime day), the holiday will be observed on the preceding 12-hour workday.

Part-time employees observe on Monday the holidays that fall on a nonworkday that is a calendar Sunday. When a holiday falls on a Saturday that is a nonworkday, they do not observe it on Friday; if they are not required to work on that Friday, they are put on annual leave or leave without pay. They receive holiday pay if required to work on that Saturday.

3. Shifts Extending Over Two Calendar Days

In applying holiday provisions, a shift that extends over two calendar days is treated as follows:

a. For shifts where more than one-half the hours fall on one day (e.g., 11 p.m. to 7 a.m. for 8-hours shifts, and 7 p.m. to 7 a.m. for 12-hour shifts), the entire shift belongs to the calendar day on which the majority of hours occur; and
b. For shifts where one-half the hours fall on each calendar day (e.g., 8 p.m. to 4 a.m. for 8-hours shifts, and 6 p.m. to 6 a.m. for 12-hour shifts), the entire shift belongs to the first calendar day.
(See S-4:I for extra pay for work on a holiday.)

C. Special Time Allowances or Work Conditions

1. Provisions for Employees Not Required for Work During Scheduled Hours

Employees whose services are not required for scheduled duties because of inclement weather or other unforeseen conditions are assigned other work suitable to their qualifications. If such work is not available, the employee may be placed on annual leave or furloughed, or if the employee so requests, he/she may be placed on leave without pay. A full-time or part-time employee who reports for duty

and has not been notified not to report, and whose services cannot be used because of inclement weather or other unforeseen conditions, is not charged leave for that day.

2. Transfer of Official Station

If work conditions permit, an employee may travel to his/her new official station on a regular workday; the employee is not charged annual leave for actual travel time during his/her basic workweek up to a maximum of eight hours for 8-hour shift employees, nine hours for 9-hours shift employees, ten hours for 10-hour shift employees, and twelve hours for 12-hour shift employees. If the employee is to report to the new location on a day following a nonworkday, travel is performed on the last preceding workday unless other arrangements are made with management.

3. Time Spent in Travel

The time an employee spends in travel is considered worktime as follows:

a. Required travel during regularly scheduled hours or travel concurrent with the performance of assigned duties is counted as worktime.

b. For work situations other than those covered in section a above, required travel outside regularly scheduled hours between official station and field assignments or between locations while on an extended field assignment is counted as worktime if the work for which the travel is required is due to an emergency or inherently must be scheduled at a particular time. Time is computed between the employee's official station and the field assignment; however, if circumstances do not require the employee to go to his/her official station and if the distance from his/her abode to his/her field assignment is less than between the official station and the field assignment, the travel time is computed between the abode and the field assignment. The reimbursed travel time shall be calculated separately each work-day and shall be limited to the difference between that regularly incurred and that incurred for the temporary field assignment. If the distance from the employee's abode to the field assignment is less than the distance from the employee's abode to his/her official station, the time spent in travel to the field assignment is not considered worktime.

c. In all other cases, required travel outside regularly scheduled hours may be counted as worktime when the organization determines that such travel is excessive.

   For travel by other means than automobile, travel time shall not exceed the time required to make the trip by the most direct route commonly used by means provided by TVA.

   Required travel includes those situations where management directs the employee to travel and others where it is clearly understood with the manager that the employee must travel under such conditions. It does not include travel

such as that associated with nonrequired training and cooperative conferences, attendance at professional meetings and conventions, field trips for general observation purposes, or travel arranged outside regularly scheduled hours for the convenience of the employee.

4. Paid Meal Periods During Overtime

a. Employees on Basic Shifts Having Scheduled Meal Periods

Employees who have scheduled meal periods during their basic shifts receive paid meal periods during overtime as follows:

(1) If an employee is required to work prior to and continuous with his/her shift, he/she is allowed time to eat at six-hour intervals prior to the start of the meal period in his/her regular shift, provided the employee is on duty when the overtime meal periods arrive.

(2) If an employee is required to continue working after the conclusion of his/her shift, the employee is allowed time to eat at six-hour intervals after the start of the meal period in his/her regular shift, provided the employee resumes work after the overtime meal period.

(3) On an offday or holiday, the times of granting overtime paid meal periods are set in the same manner as in (1) and (2) above, using the normal meal period as the point of reference. The employee need not work the eight, nine, ten, or twelve hours corresponding to his/her regular shift, but the total worktime, inside and outside the regular hours, must be at least six hours. On an offday or holiday, an employee is not paid during the time of his/her normal meal period, regardless of the work schedule for such a day.

(4) If an employee is on a callout where none of the hours are continuous with his/her regular shift, the employee receives an overtime meal period after six-hour intervals of work provided he/she resumes work after each meal period.

The time to eat must not exceed 30 minutes.

When an employee is otherwise entitled to a meal period but works through such a period for either of the following reasons, 30 minutes in lieu of the meal period are added to the employee's worktime at the overtime rate in effect at the time of the meal period:

> The employee is unable to leave the job at mealtime because of an emergency; or the employee could not provide a meal because of lack of advance notice, and there are no eating facilities available.

b. Employees on Basic Shifts Without Scheduled Meal Periods

Employees whose basic shifts run continuous hours without a scheduled meal period do not receive paid meal periods in connection with overtime work either before or after their basic shift or on callouts. They are expected to eat at

convenient times during the course of overtime work just as they do during their basic shifts.

Employees not entitled to a meal period, who are required to work unscheduled overtime for a period exceeding four hours, will be provided a hot meal. If a meal is not provided, $11.35 will be added to the day's pay.

5. Time Spent in Reporting for Physical Examination

Time an employee spends during his/her regularly scheduled hours of work in reporting to a TVA medical unit for an examination at the request of TVA is counted as worktime. An employee who has to go to a place away from his/her station is given transportation and receives a per diem allowance in accordance with applicable regulations. Time spent outside regularly scheduled hours in reporting for a required medical examination shall be counted as worktime and, in addition, a reasonable amount of travel time (i.e., 30 minutes for every 20 miles or major fraction thereof) will be counted as worktime.

6. Excuse From Work on Special TVA Occasions

To commemorate special occasions of Valley-wide importance, TVA may excuse from work for a day or a part of a day employees whose services can be spared. TVA may also excuse a group of employees from work for a day or part of a day of local importance.

When the excuse from work is TVA-wide, management decides whether the excuse from work shall apply to employees on shifts other than the day shift (shift beginning between 6 a.m. and 8 a.m.). The period of excuse from work may be the same as or shorter than the period allowed on the day shift. If the excuse from work applies only to a group of employees at one place, this excuse is only for a specific time at this place.

A full-time or part-time employee who is excused from work still gets his/her basic pay for the period of excuse. If the employee is on annual or sick leave in a period of excuse from work, he/she is not charged leave for the period.

An employee who works when other employees are excused from work on a special TVA occasion is paid at the rate he/she would have been paid had there been no excuse from work. An intermittent employee, when excused from work, is not paid for that time unless he/she is expected to take part in a local TVA-sponsored activity. In this case the employee is paid at the same rate the employee would have received if he/she had worked.

7. Modification of Work Schedules to Permit Outside Study

An employee's work schedule which may be an eight-, nine-, ten- or twelve-hour shift may be modified enough to permit the employee to attend classes during regularly scheduled hours of work of the unit in which he/she is employed. This may be done by scheduling definitely an equal number of hours of work before or after the regularly scheduled work even though this results in more than eight,

nine, ten or twelve hours' work in a 24-hour period. In such cases, there is no premium pay. Work at such periods must contribute to TVA's service and be properly supervised.

8. **Voluntary Exchange of Shifts**
   Employees of the same classification may, by agreement between themselves, exchange shifts if their managers approve. The exchange must be accomplished by the end of the workweek following the week in which the exchange of shifts begins. In cases of such shift change, the provisions on overtime pay and premium pay do not apply.

9. **Modification of Work Schedules to Permit Make Up for Absences During the Basic Workweek**
   At an employee's request for the purpose of accommodating the employee's personal reasons (by way of example and not limitation, such events as teacher conferences, children's doctor appointment, unexpected family illnesses, temporary and unexpected child-care matters, etc.) and with the concurrence of the manager, an employee may be permitted to work outside such employee's regularly scheduled workweek to make up such hours, or part thereof, during the same workweek to accommodate such personal reasons. Work performed outside regularly scheduled workweek hours under this provision of the contract is considered part of the basic workweek and shall be compensated at the straight-time rate. Management shall not be permitted by this contract provision to initiate these arrangements to avoid responsibility for payment of overtime. Employees shall not make unreasonable requests under this provision of the contract. Management shall not unreasonably deny an employee's request under this provision of the contract.

D. Annual and Sick Leave

Full-time and part-time employees are granted leave in accordance with applicable federal laws and regulations.

The rate of accrual of annual leave for a full-time employee appointed for a period of 90 days or more is as follows:

Years of Creditable Federal Service	**Leave Accrued for Each Full Biweekly Pay Period**
Less than 3	4 hours
3 but less than 15	6 hours (10 hours for last complete pay period in calendar year)
15 or more	8 hours

With certain exceptions, a maximum of 240 hours of annual leave may be carried forward from one leave year to the next.

A full-time employee accrues sick leave at the rate of four hours for each full biweekly pay period with no limitation on the amount that may be carried forward from one leave year to the next.

A part-time employee accrues annual and sick leave on a basis similar to that for a full-time employee working an 8-, 9-, 10-, or 12-hour basic work schedule in proportion to hours worked up to eight, nine, ten, or twelve hours in a 24-hour period and up to 40 hours in a calendar week.

Employees working 8-, 9-, 10- and 12-hour shifts who are absent for the entire shift will be charged 8, 9, 10 and 12 hours respectively of appropriate leave. Employees working 9-hour shifts who are absent for their entire 4-hour or 8-hour straight-time shift are charged four hours or eight hours respectively of appropriate leave. Employees working 12-hour shifts who are absent for their entire fourth workday in the 4-day workweek will be charged appropriate leave for only those hours within their straight-time basic work schedule and the overtime (if it is not worked) is forfeited.

SUPPLEMENTARY AGREEMENT 4

S–4 Pay

A. Process for Determining Compensation

TVA's compensation philosophy is to provide competitive compensation for similar positions based on the relevant labor market. Compensation, including the pay budget, the performance recognition amount, market rates and compa ratios, will be reviewed annually.

TVA and the EA negotiate once every three years to determine market rates for the first of the three years and the pay budget for each year of the multi-year agreement.

TVA and the EA each may use up to five published salary budget surveys (which can include the ECI) as the basis for determining the pay budget. TVA and the EA each may use up to five published salary surveys as the basis for determining market rates.

The parties will target using 80 percent of the published data from the southeastern United States and 20 percent from outside the southeastern United States, all of which is to reflect prevailing compensation for similar positions.

Prior to negotiations the parties will meet to share the published data they will be using during negotiations; however, the parties do not need to agree on what published data each will be using during negotiations. Published data consists of published salary surveys and published salary budget surveys.

B. Market Rates

The market rate is the midpoint of market range. Individual employee salary rates are between 80 and 120 percent of the market rate.

Market rates are based on market data. For jobs with no market data, TVA and the EA shall mutually assign market rates based on the relative difficulty, responsibility and qualification requirements of the position. Market rates will be adjusted 75 percent of the pay budget for the second and third years of the multi-year agreement.

Adjustments in market rates do not increase or decrease individual employee salaries.

C. Pay Budget

There is one pay budget, which is the same for all EA jobs.

D. Process for Distributing the Performance Pay Budget

Performance Pay

The performance pay budget is calculated using the total payroll for EA-represented employees. Employee pay adjustments are calculated using the TVA market rate/mid-point for the position. Employees will be paid according to the pay delivery system below.

Overall Rating		Performance Pay Opportunity shown as a Percentage of Pool Funding Base Pay Increases for Employees with Compa Ratio below 1.2
Exceeds	4 to 3.6	minimum 115% maximum 125%
Satisfactory	3.59 to 2.6	minimum 80% maximum 100%
Marginal	2.59 to 2.0	0%
Unacceptable	Below 2.0	0%

The performance pay budget will be paid at 100 percent.

Any portion of a performance-based pay adjustment that would result in a salary exceeding the top of the range (120 percent of the market rate for the position) will be paid in lump sum.

The amount and form of distribution of performance-based pay adjustments are not subject to resolution through any procedure in this Agreement when paid in accordance with the matrix. Individual performance awards are not subject to resolution through any procedure in this Agreement.

Eligibility

An EA-represented employee is eligible for payment from the pay budget if he/she:

1. holds an EA-represented position as of the last day of the pay period in the rating period, and
2. has been continuously employed in an EA-represented position or manager/specialist position for a minimum of 90 consecutive days during the rating period, and
3. is not eligible for management, excluded schedule or another bargaining unit performance-based pay for the same period.

Sequence of Adjustments

Any market rate adjustments and performance pay adjustments, will become effective with the beginning of the pay year. These adjustments will be made in the following order:

1. market rate adjustments (the compa ratio used for the steps below is calculated after step #1
2. pay budget adjustments
3. adjustments required to bring the employee's pay rate to at least 80 percent of the market rate

E. Variable and Incentive Pay

In addition to any negotiated adjustment, employees may receive variable or incentive pay based on overall TVA, business unit, group and/or individual performance. The award may be in the form of a lump-sum payment or as an addition to base pay.

F. Job Families

1. Definitions of the Job Families

TVA determines job families and definitions of job families. The current job families are defined as follows:

a. Engineering positions involve professional-level engineering work with a degree in engineering from an accredited university.
b. Information Technology positions involve professional-level knowledge and application of information technology specialties.
c. Scientific positions involve professional-level scientific work with a degree in a scientific field of specialization from an accredited university. Specialties may include physical, life, or social sciences; mathematics, economics, and architecture.
d. TVA Program Planning and Administration positions involve technically based work with broad responsibilities for program planning, and administration. Work often focuses on strengthening relationships with employees, industry, communities and the general public.
e. Operations Support positions involve technical specialty work which supports the installation, operations, maintenance, and/or modification of TVA programs, and systems. Work focuses on support systems (e.g., project control, quality, safety, etc.) for operational needs.
f. Technical Support positions involve support for professional-level work associated with engineering, information technology, physical and social sciences, and programmatic specialties. Work typically requires experience and training in specialized technical courses.

G. Basic Annual Pay Rates

Basic annual pay rates are for full-time employees on the 40-hour basic workweek. For part-time employees, the basic annual pay rate is prorated according to the number of hours worked.

The straight-time equivalent hourly rate for employees on annual rates is the annual rate divided by 2080.

H. Hourly Pay Rates

Intermittent employees are paid hourly rates. The hourly rate for each intermittent employee is set by TVA, not to exceed 120 percent of the market rate for the position, divided by 2080, and rounded to the nearest nickel. TVA furnishes lists of intermittent employees to the central office of the EA.

I. Pay Differential for Shift Work

Shift differential pay for annual employees on scheduled multiple-shift work is $1.00 an hour for the evening shift and $1.25 an hour for the night shift. Shift differentials are not a part of basic pay rates.

A multiple-shift operation is one where there are at least two straight-time shifts (i.e., 8-, 9-,10-, 12-hour shifts) scheduled at different times within the same 24-hour workday to continue operations of the same type of work by the same type of employees. Employees who work a single shift operation (there is no other straight-time shift to continue that operation within the same 24-hour workday) are not considered to be on a multiple-shift operation.

For employees working 8-hour shifts, an evening shift is any shift three hours or more of which fall between 6 p.m. and 12 midnight. Employees on such a shift receive the evening shift differential rate for the entire shift. A night shift is any shift three hours or more of which fall between 12 midnight and 6 a.m. Employees on such a shift receive the night shift differential rate for the entire shift.

For employees working 9- and 10-hour shifts, an evening shift is a 9- or 10-hour shift covering five or more hours between 6 p.m. and 12 midnight. Employees on such a shift receive the evening shift differential rate for the entire shift. A night shift is a 9- or 10-hour shift covering five or more hours between 12 midnight and 6 a.m. Employees on such a shift receive the night shift differential rate for the entire shift. If the 10-hour shift is from 7 p.m. to 5 a.m., the night-shift provisions apply.

For employees working 12-hour shifts, an evening shift is a 12-hour shift covering the full period from 6 p.m. to 12 midnight. Employees on such a shift receive the evening shift differential rate for the entire shift. A night shift is a 12-hour shift covering the full period

from 12 midnight to 6 a.m. Employees on such a shift receive the night shift differential rate for the entire shift. If the 12-hour shift is from 6 p.m. to 6 a.m., the night-shift provisions apply.

Employees in inflexible schedule positions on scheduled multiple-shift work get the proper shift differential for overtime or holiday work done. This is in addition to the overtime or holiday pay. The shift in such cases is considered to run from the time the employee begins the overtime or holiday work. Only employees working a multiple shift operation are eligible for shift differential pay. Employees working a single shift operation who work beyond the hours within their basic workweek (straight-time shift) are entitled to overtime but not shift differential pay. Shift differential pay is not paid to any employee while he/she is on leave except as provided in the leave regulations.

J. Pay for Overtime Work

Overtime must be officially authorized. It is authorized only when necessary for efficient conduct of the work.

The application of overtime to various groups of employees is as follows:

1. FLSA Nonexempt Employees

Employees holding FLSA nonexempt positions are always on the inflexible schedule, and they are paid for overtime at a rate which is one and one-half times their straight-time hourly rate.

a. Full-Time Employees

Overtime pay for full-time employees on the inflexible schedule is for work outside the basic workweek. It is also paid for authorized time worked outside the regularly scheduled 8-, 9-, 10- or 12-hour shifts in any 24-hour period or outside the regularly scheduled 40 hours in any workweek.

Absences during scheduled hours in the basic workweek are counted the same as worktime in determining eligibility for overtime pay, except toward pay for work in excess of 16 hours.

When employees are assigned to work away from their official stations, they are paid for authorized overtime only for time worked or periods counted as worktime, such as time spent in travel (see S-3:C-3) and paid meal periods (see S-3:C-4).

Overtime rates are not paid for the time spent in voluntary training programs. Whenever pay is approved, straight-time rates are used. Appropriate overtime rates are paid for time spent in required training programs outside the basic workday.

FLSA Nonexempt employees are paid at twice the straight-time rate as follows:

(1) Work in Excess of 16 Hours

(a) Employees are not normally required or permitted to work more than two continuous shifts. If, however, an employee is required to work for as much as 16 hours in any 24-hour period without a nonwork period of at least eight continuous hours, he/she is paid twice his/her straight-time rate for all hours worked in excess of 16 until the employee has a rest period of at least eight hours. If the work extends into the next regular shift, the employee receives a premium of straight-time pay in addition to the basic straight-time pay.

(b) When an employee is required to work for as much as 16 hours in any 24-hour period without a nonwork period of at least eight continuous hours, the employee should at the end of this overtime work be relieved from duty, if circumstances permit, and be given a rest period of at least eight continuous hours. If his/her regularly scheduled shift begins before the end of this rest period, he/she will be paid the regular rate for that part of the rest period which falls within the hours of the regularly scheduled straight-time shift.

(c) If an employee is called back after working his/her regularly scheduled shift without having a rest period of at least six continuous hours prior to a callout and is required to work without having a rest period of at least six continuous hours before the start of the next regular shift, he/she is given sufficient time off, including time off with pay from his/her regularly scheduled straight-time shift, to provide a rest period of six continuous hours before the employee is required to return to work. This is done even though the employee has not been required to work for more than 16 hours.

(d) If under this provision an employee is told not to work for a part or all of his/her next scheduled shift and is then called back to work during the period he/she was told not to work, the employee is paid a premium in addition to the basic straight-time pay. This premium is equal to the difference between straight-time and overtime pay. It is paid for hours worked during the remainder of his/her regular shift unless the employee is entitled to a straight-time premium under the above provision for work in excess of 16 hours.

If, however, the employee is not called back but chooses, and is allowed, to work during his/her regularly scheduled shift after the period of rest, the employee is paid only the basic straight-time pay.

(2) Work on Second Scheduled Nonworkday

(a) For employees working eight- and nine-hour schedules, if an employee is regularly scheduled to work Monday through Friday and his/her scheduled nonworkdays are Saturday and Sunday, the employee

receives twice the straight-time rate for the hours worked on the second scheduled nonworkday (Sunday) if he/she has worked on the preceding Saturday.

(b) For employees working eight- and nine-hour schedules, if an employee is regularly scheduled to work other than Monday through Friday or is on a rotating schedule, every calendar week is treated separately. The employee receives twice the straight-time rate for the hours worked on the second nonworkday in a calendar week if he/she has worked on the first nonworkday in that calendar week. This applies even though at the time of a shift change an employee may on a particular weekend happen to have Saturday and Sunday as scheduled nonworkdays.

(3) Work on Scheduled Nonworkdays in Other Than Five-Day Workweek

(a) For employees working a nine-hour schedule with an eight-hour day every other workweek, in the workweek where there is three scheduled offdays an employee on the inflexible schedule working this schedule receives time-and-one-half the straight-time rate when he/she works the first or second scheduled offday, and twice the straight-time rate for the third offday worked when he/she has also worked the first and/or second offday in a workweek.

(b) For employees working 10-hour schedules, an employee on the inflexible schedule working this schedule receives time-and-one-half the straight-time rate when he/she works the first or second scheduled offday, and twice the straight-time rate for the third offday worked when he/she has also worked the first and/or second offday in a workweek.

(c) For employees working 12-hour schedules, an employee on the inflexible schedule working this schedule receives twice the straight-time rate for the second, third, or fourth offday worked when he/she works two or more consecutive offdays in a workweek.

b. Part-Time Employees

Part-time employees who are working 8-, 9-, 10- or 12-hour shifts are paid overtime for work in excess of 40 hours in a calendar week or eight, nine, ten or twelve hours in any 24-hour period. For other hours worked outside their regularly scheduled hours, they receive straight-time pay.

2. FLSA-Exempt (Flexible Schedule) Employees

FLSA-exempt (flexible schedule) employees get no extra pay for hours worked outside their regularly scheduled hours since compensatory adjustment in their regular work schedule may be made.

Use of compensatory time will be in accordance with TVA guidelines.

3. FLSA Exempt Employees Temporarily Placed on the Inflexible Schedule

a. Overtime Threshold

When FLSA exempt employees are temporarily placed on the inflexible schedule in accordance with S-3:A-5, 2.5 hours per workweek will be worked beyond the basic workweek or alternative work schedule before the

employee will be eligible for overtime pay. If more than 7.5 overtime hours are worked in a workweek, the overtime threshold will not apply for that workweek, and all overtime worked is compensated at the appropriate rate. This overtime threshold applies to work as it arises, and is not intended to change the S-3:A-1 definition of the 40-hour basic workweek or the regularly scheduled hours of established alternative work schedules. The threshold is used in the following overtime situations:

- Work over 40 hours per workweek (or hours that are not in the alternative work schedule design)
- Work outside the regularly scheduled shift (i.e., 8-, 9-, 10- or 12-hour shift) or hours that are not in the alternative work schedule design
- Work over 40 overtime hours per pay period (The 2.5 hours per workweek overtime threshold is included in the calculation of the 40 overtime hours per pay period.)
- Work on the first scheduled non-work day

When FLSA- exempt employees holding positions on the flexible schedule are temporarily placed on the inflexible schedule in accordance with S-3:A-5, and overtime pay is due beyond the 2.5 hours per work week overtime threshold, including when working an established alternative work schedule, it is paid at the straight-time (1.0) hourly rate. The only exceptions to the straight-time rate are as follows:

- Work over 40 overtime hours per pay period will be paid at the 1.5 rate (The 2.5 hours per workweek overtime threshold is included in the calculation of the 40 overtime hours per pay period.)
- When the first scheduled non-work day is worked, work on the second scheduled non-work day will be paid at the 1.5 rate.

All alternative work schedule provisions regarding work in excess of 40 overtime hours per pay period and the pay for work on scheduled offdays are covered by these rates.

b. Work on Scheduled Nonworkdays in Other Than Five-Day Workweek

1) For employees working a nine-hour schedule with an eight-hour day every other workweek, in the workweek where there are three scheduled offdays, a flexible schedule employee temporarily placed on the inflexible schedule and working this schedule receives the straight-time rate when he/she works the first or second scheduled offday, and time-and-one-half the straight-time rate for the third offday worked when he/she has also worked the first and/or second offday in a workweek.

2) For employees working 10-hour schedules, a flexible schedule employee temporarily placed on the inflexible schedule and working this schedule receives the straight-time rate when he/she works the first or second scheduled offday, and time-and-one-half the straight-time rate for the third offday worked when he/she has also worked the first and/or second offday in a workweek.

3) For employees working 12-hour schedules, a flexible schedule employee temporarily placed on the inflexible schedule and working this schedule receives time-and-one-half the straight-time rate for the second, third, or fourth offday worked when he/she works two or more consecutive offdays in a workweek.

4. Employees on Hourly Rates

Employees on hourly rates who are working 8-, 9-, 10-, or 12-hour shifts get overtime pay for hours worked in excess of 40 hours in a calendar week or eight, nine, ten, or twelve hours in any 24-hour period. The overtime rate is one-and-one-half times the employee's straight-time rate. Under the same conditions as prescribed for employees on annual rates, they receive twice their straight-time rate for work in excess of 16 hours.

K. Pay for Work on Holidays

1. FLSA Nonexempt Employees

If an FLSA nonexempt employee must work on a holiday or a day observed as a holiday, the employee receives, in addition to his/her straight-time pay, a premium of time-and-one-half of the straight-time rate for work within his/her basic workweek. For work outside the basic weekly schedule, the employee is paid at two-and-one-half times the straight-time rate. When a day other than the calendar holiday is observed as a holiday, then the calendar holiday becomes an ordinary day for pay purposes.

For employees on alternate work schedules, the holiday consists of all hours which would constitute a full day under the alternate work schedule.

2. FLSA Exempt (Flexible Schedule) Employees

FLSA exempt (flexible schedule) employees get no extra pay for work on a holiday since compensatory adjustment in their regular work schedule may be made.

3. FLSA Exempt Employees Temporarily Placed on the Inflexible Schedule

When FLSA exempt employees are temporarily placed on the inflexible schedule in accordance with S-3:A-5, and they must work on a holiday or a day observed as a holiday, including when working an established alternative work schedule, these employees receive, in addition to straight-time (1.0) pay, a premium of time and one-half of the straight-time rate for work within the basic workweek. For work on the holiday that is outside the basic workweek (or the basic alternative work schedule), these employees are paid at the straight-time (1.0) rate.

For employees on alternative work schedules, the holiday consists of all hours which would constitute a full day under the alternative work schedule. All alternative work schedule provisions regarding pay for work on holidays are covered by these rates.

4. **Employees on Hourly Rates**
   Employees on hourly rates get no pay on holidays unless they work. When they are required to work, they are paid two times their hourly rate.

   (See S-3:B for observance of holidays.)

L. Pay for Certain Adjustments Within Basic Schedule

A premium equal to one-half the straight-time pay rate is paid in addition to straight-time pay to full-time employees on the inflexible schedule (and FLSA exempt employees holding positions on the flexible schedule who are temporarily placed on the inflexible schedule) under the conditions listed below. It applies only to hours that are within the employee's 40-hour basic workweek. It is not paid when the employee is receiving holiday pay. It is authorized only when necessary for the efficient conduct of the work.

1. **Schedule Change on Less Than 24-Hour Notice**
   An employee receives a minimum of 24 hours' notice in advance of the beginning of a new workweek schedule (i.e., change from 8-hour basic shifts to 10-hour basic shifts, etc.) or the beginning of the new shift of any change in scheduled hours. However, when a change in offdays is involved wherein a day of work is deferred and an offday is advanced earlier, the notice must be 24 hours before the scheduled hour of work on the original workday. In case of failure to give the required notice, the employee receives such premium pay for the full shift for which the required notice was not given.

2. **Recall From Annual Leave**
   When an employee on the inflexible schedule (and FLSA exempt employees holding positions on the flexible schedule who are temporarily placed on the inflexible schedule) is recalled from annual leave without 24 hours' advance notice, he/she receives such premium pay for the hours worked for which the 24 hours' notice was not given and which fall within the employee's basic workweek. In no case does the employee receive less total pay than the equivalent of four hours at the straight-time rate.

M. Pay Ranges, Employee Pay Rates, and Progression Within the Range

1. **Pay Ranges**
   Pay ranges are between 80 and 120 percent of the market rate for each position.

2. Employee Pay Rates Under Particular Circumstances

Employee pay rates under particular circumstances are determined by a ratio comparison of the market rate of the employee's former position to the market rate for his/her new position. Pay adjustments under this provision are limited to changes in basic annual salary rates within the pay range.

A dispute over the amount of increase or decrease in an employee's basic annual salary rate under the circumstances provided in this section is not subject to resolution through any procedure in this Agreement.

a. Moves to Positions with Higher Market Rates

A move to a position with higher market rate is defined as at least eight percent higher when comparing market rates between the former position and the new position.

Employees moving to positions with higher market rate (temporary or otherwise) receive at least 5 percent and no more than 12 percent increase in basic annual salary rate, not to exceed 120 percent of the market rate for the new position.

b. Moves to Positions with Lower Market Rates

A move to a position with lower market rate is defined as at least 10 percent lower when comparing market rates between the former position and the new position.

Employees moving to positions with lower market rates (for any reason other than returns following temporary promotions) receive between a 0 - 5 percent decrease in basic annual salary rate. However, the decrease may be greater than 5 percent if necessary to bring the new rate to 120 percent of the market rate for the new position.

The amount of decrease in basic annual salary rate received upon return following temporary promotion is equal to the initial actual dollar amount increase in basic annual salary rate received upon such temporary promotion.

c. Lateral Moves

A lateral move is defined as less than 8 percent higher and less than 10 percent lower when comparing market rates between the former position and the new position.

Employees making lateral moves may receive at TVA's discretion, up to a five percent increase in their basic annual salary rate, not to exceed 120 percent of the market rate for the new position.

d. Entering the Bargaining Unit

When an individual enters the bargaining unit, TVA sets the pay rate not to exceed the market rate for the position. However, TVA may set the pay rate

above the market rate (not to exceed 120 percent of the market rate) for 25 percent of the projected EA new hires for each fiscal year. If the hiring exemptions are exhausted, TVA may request additional waivers from the EA.

However, when a manager or specialist enters the bargaining unit in connection with a reorganization or elimination of positions, TVA sets the pay rate not to exceed 110 percent of the market rate for the position.

Employees entering the bargaining unit as a result of S-1:E-2, Management Work Dispute Resolution, receive no change in basic annual salary rate provided the rate does not exceed 120 percent of the market rate for the position. However, the employee's basic annual salary rate may be decreased if necessary to bring the new rate to 120 percent of the market rate for the new position.

e. Particular Circumstances for Pay Retention

An employee's pay is retained if he or she is moved to a position with a lower market rate as a result of the application of a revision to the classification system, or as a result of administrative error. In these circumstances, and while the employee remains in the resulting position, his or her pay is retained for a period of two years from the date of implementation of classification system revision or the date of official determination of misclassification. At the end of the two-year period or when the employee leaves the resulting position, his or her pay rate is set in accordance with S-4:M-2,a, b, or c above.

f. Pay Differential for Bargaining Unit Principal/Lead

A pay differential for bargaining unit principal/lead is applied when a comparison of basic annual pay rates shows at least a $250-per-year lower employee pay rate for the principal/lead position relative to that of the lower-level position.

When the above conditions are met, the bargaining unit principal/lead receives a 2-percent increase to basic annual salary rate, not to exceed 120 percent of market rate. The increase is effective beginning with the Monday nearest the effective date of the rates resulting in this circumstance.

3. Progression Within the Range

TVA may increase an employee's basic annual salary rate on the basis of his/her performance, provided the resulting pay does not exceed top of the range for the position.

N. Pay or Compensatory Time for Callouts

Employees called and reporting for work outside of and not continuous with their regularly scheduled hours are paid at the applicable overtime rate, or accorded compensatory time, but no less than four hours' pay at the straight-time rate for employees on the inflexible schedule and no less than four hours' compensatory time

for employees on the flexible schedule, except when the employee leaves work before the completion of the assignment for personal convenience. In such cases, the employee is paid at the applicable overtime rate, or accorded compensatory time, for actual hours worked. However, this call-time provision is not applicable to training meetings scheduled well in advance.

O. Treatment of Status Changes Effective on Same Date as Uniformly Distributed Negotiated Pay Adjustments

If a status change for an employee occurs on the date that a new set of salary rates becomes effective, he/she is considered to be on the new salary rate before the status change is carried out.

P. Reimbursement for Professional Credentials

Full-time annual employees receiving or maintaining professional credentials which are a requirement of their job or as engineers and architects, which are related to their positions, will be reimbursed in the amount set forth in TVA Accounting Procedures for professional privilege tax, licensing fees, and/or the membership dues for technical associations or societies.

Q. Professional Engineer and Architect License Recognition

Full-time employees attaining a professional engineer or professional architect license are paid a one-time lump sum of $250.

R. Education Incentives

Full-time employees completing an associate, bachelor's, master's, or doctorate degree will receive an incentive, provided the quality of the employee's work is satisfactory and further provided that advance management approval of the educational program is granted. Eligible employees will receive a lump-sum payment of $2500, subject to the terms of the applicable service agreement as provided in TVA's Tuition Reimbursement program.

S. Recruitment and Retention Incentives

1. TVA, at its discretion, may offer lump-sum recruitment incentives for sign-on, hiring or relocation purposes for positions filled through college recruitment or external experienced hiring in accordance with TVA policies and procedures.

2. TVA, at its discretion, may offer lump-sum payment or base-pay increase incentives to employees for the purpose of knowledge and skill retention, relocation or for the completion of special projects in accordance with TVA policies and procedures.

T. Direct Deposit

Every employee will receive his/her pay by electronic funds transfer deposited directly to his/her designated account.

SUPPLEMENTARY AGREEMENT 5

S–5 General Provisions for Selection

A. Merit and Efficiency

TVA is an equal opportunity employer. Selection of personnel for appointment, placement, and retention in positions within TVA is made on the basis of merit and efficiency as set out in the TVA Act, on the basis of the Veterans' Preference Act of 1944, and applicable laws prohibiting discrimination in federal employment. No political test or qualification is permitted or given consideration in selection. Appointment to and retention in positions in TVA which may be construed as nepotism are not permitted.

B. Selection for Promotion and Transfer

Selection for promotion or transfer (except transfer under S-7:C) is made on the basis of merit and efficiency.

It is recognized that evaluations of merit and efficiency are inherently judgmental in nature. In making these judgments, major emphasis shall be on the requirements of the job to which promotion or transfer is being considered and the overall competence of each candidate for the job, as best can be appraised by critical examination of TVA service records and examination of other factors, if relevant. However, in applying merit and efficiency, the organizational needs, objectives, and efficiency of TVA shall also be taken into account. The organizational needs, objectives, and efficiency of TVA include, but are not limited to, the agency's affirmative action plans and goals, the agency's need to recoup investments in training and/or special assignments, the agency's long-term staffing and/or manpower requirements, and the agency's need for continuity of operations. In applying the terms of this paragraph, management's judgment of merit and efficiency shall be controlling unless shown to be arbitrary or capricious.

The above provision shall not be construed to require the appropriate management official acting under the provisions of S-11:B or the Vice President, Labor Relations acting under the provisions of S-11:C to find a selection action to be arbitrary or capricious in order to reverse a selection. The appropriate manager acting under S-11:B or the Vice President, Labor Relations, acting under S-11:C may substitute his/her judgment on the merit and efficiency of the candidates for that of the manager responsible for the selection. However, the arbitrator acting under the provisions of S-11:D is authorized to reverse a selection only upon a finding that the selection was arbitrary or capricious.

C. Adequate Service Records

Adequate personnel and service records are kept for every employee in order that recorded data will serve as one of the bases for appraisal of merit and efficiency. Copies of employee service records are furnished to the employee. On request, service records are made available to the duly authorized representative of the employee's union.

SUPPLEMENTARY AGREEMENT 6

S–6 Permanent and Prepermanent Tenure

A. Definitions: Significance of Tenure

Persons employed with the expectation on the part of TVA that they may wish and may
be afforded the opportunity to continue in TVA employment as a career are given prepermanent tenure status. After serving in prepermanent status on a substantially continuous basis for a period of four years, employees acquire a permanent status. The specific provisions governing the acquisition and retention of permanent and pre-permanent tenure status are given below. Employees with permanent or prepermanent tenure have preference for retention in employment relative to each other and to employees without such status as provided in S-10 and by law and federal regulations. They also have reemployment priority following reduction in force as provided in S-10.

B. Acquiring Prepermanent and Permanent Tenure

A person acquires prepermanent tenure at the beginning of a period of either full-time or scheduled part-time employment which is not limited to one year or less, unless TVA considers that such employment does not afford an opportunity to continue in TVA employment as a career (see section F). A person acquires permanent tenure by serving four years in full-time prepermanent status, or an equivalent number of paid hours (8320) in scheduled part-time prepermanent status, without a break in service in excess of one year. Leave without pay or other nonpay periods while in prepermanent status count as service to the same extent as for reduction in force. Under certain applicable federal laws and regulations, absence from TVA for military service, service in public international organizations, or other special service or absence in receipt of compensation for job-related injury or disability counts as TVA service if the employee meets the conditions provided in such laws and regulations. Full-time or scheduled part-time service in a temporary assignment or promotion counts where the employee retains rights to return to a job on a prepermanent basis.

A person who transfers to TVA from another federal agency without a break in service may be given credit toward permanent tenure for prior federal service in accordance with the terms of the agreement between TVA and the Office of Personnel Management on movement of personnel between the Civil Service system and TVA.

With respect to agencies not covered by such agreement, credit may be given to the extent that such agencies give reciprocal treatment to TVA employees who transfer to them.

C. Retention of Permanent Tenure

An employee with permanent tenure retains such tenure so long as the employee occupies a position, or retains rights to occupy a position, which is designated as one to be filled on a permanent or prepermanent basis.

D. Reinstatement of Permanent Tenure or Credit Toward Permanent Tenure

Permanent tenure or credit toward permanent tenure which an employee had at the time he/she transferred to a position not affording such tenure, or at the time of termination, is reinstated if he/she later, without a break in service of more than one year, enters a position which is to be filled on a prepermanent or permanent basis.

E. Break in Service

A break in service begins with termination from TVA and ends with appointment to a position which is to be filled on a prepermanent or permanent basis. Where an employee is transferred from a position which he/she holds on a prepermanent or permanent basis to a position which is filled on a basis other then prepermanent or permanent and is subsequently terminated, the break in service begins at the time of termination; however, his/her status in the position to which transferred is that specified at the time of transfer and is not affected by the fact that he/she had prepermanent or permanent status prior to such transfer. The beginning date of a break in service is not affected by a subsequent period of temporary employment.

F. Indefinite Tenure

A person has indefinite tenure during an employment which has no specified time limit but which TVA considers as not affording an opportunity to continue in TVA employment as a career.

G. Temporary Tenure

A person has temporary tenure during a period of employment which has a specified time limit which is less than one year from the beginning date of the employment.

H. Credit Toward Permanent Tenure for Service Under Indefinite Tenure

A period of full-time or scheduled part-time employment under indefinite tenure is counted as service in prepermanent tenure if it is followed without a break in service of more than one year by employment in a position being filled on a permanent or prepermanent basis.

I. Credit for Service Under Temporary Promotion

A period of full-time or scheduled part-time service under temporary promotion from a position to which the employee is entitled to return at the end of such period is counted for tenure purposes as if it were service in the position from which temporarily promoted.

J. Credit for Service in Nonrepresented Positions

Service in a position not represented by a labor organization representing salary policy employees which is comparable to prepermanent, permanent, or indefinite service in represented positions is treated as if it were in a represented position. Full-time or scheduled part-time service under special tenure, which applies to secretaries to the Board of Directors, is credited the same as service under indefinite tenure.

SUPPLEMENTARY AGREEMENT 7

S–7 Filling Positions

A. Considering Employees Before Appointing Outside Candidates

In general it is the policy to promote or transfer present salary policy employees rather than to appoint candidates from outside TVA. After present salary policy employees are considered as provided below, an outside candidate may be appointed if his/her qualifications can be shown to be superior to those of employee candidates (for exception, see S-5:B).

B. Announcing a Position Vacancy to Employees

1. Posting a Vacancy Announcement

When a vacant position in a bargaining unit represented by the EA is to be filled, an announcement of the vacancy is posted electronically or in writing and a copy sent to the central office and the appropriate locals of the EA. The announcement allows not less than 10 calendar days after the date of posting for employees to apply.

2. Employees to Whom Announcement is Directed

An announcement is directed to employees in one of the following groups:

Group 1a: Employees in the competitive area in which the vacant position is located. (May be used where a competitive area is a part of an operation. Competitive area is the same as for reduction in force.)

Group 1b: All employees permanently assigned to the nuclear plant site, fossil and hydro plant, or construction project where the vacant position is located without regard to the TVA organization to which they belong.

Group 2: Employees anywhere in the operation in which the vacant position is located. (A group to which operations report is considered to be an operation separate from the operations reporting to it.)

Group 3: Employees anywhere in the group of which the operation having the vacant position is a part. (The term "group" here includes the operations reporting to the group.)

Group 4: Employees in all groups and operations.

An announcement may be made initially to Groups 1, 2, 3, or 4 and may be made again to any higher group or groups until the position is filled. Employees who have received a reduction-in-force notice may apply on any vacant position announcement in Groups 1, 2, 3, or 4. An employee who does not apply in response to an announcement directed to his/her group, or whose application is received after the closing date, is not entitled to consideration in selection for the vacancy, although the employee may be given consideration at TVA's option.

TVA need not select an employee who has held his/her current position, in the same family and level as an announced position, for less than 12 months prior to the closing date of the vacancy announcement.

However, the above provision requires an employee who has been directed to transfer (as described in S-7:C) to serve only the remainder of the 12-month period not served in the position that employee held immediately prior to the directed transfer.

3. Use of Maximum Age Limits

A maximum age or an acceptable range in age may not be specified in a position vacancy announcement unless a determination has been made pursuant to federal law and regulations that age is a bona fide occupational qualification.

4. Time Factors in Selection: Filling Similar Positions

If the position is not filled by an offer made within 90 days of the closing date for applications, the vacancy will be posted again before selection for the position will be made. This time limit is binding on both TVA and the EA. However, it may be extended by mutual agreement.

If the position is filled, but either that position or a substantially similar one at the same geographic location becomes vacant again within 120 days of the original closing date for applications, selection for the vacancy may, upon notification to the union having jurisdiction, be made from those who originally applied.

Both the 90-day and 120-day time limits may be extended by mutual agreement of TVA and the EA.

5. Positions Not Requiring Announcement

Announcement of vacancies is not required under the following circumstances:

(a) If the position is hourly or is designated as being filled for six months and one day or less; (b) if the position is filled by an employee in accordance with provisions of this agreement for reassignment or recall consideration or requirements of applicable federal law or regulation; (c) if the position is of a type customarily filled through a joint qualifying training program and is filled by an employee trained in such program who has not previously been placed in such a position under such program; (d) if the position is a trainee position in a joint qualifying training program and is filled by promotion or transfer of a trainee; (e) if the position is in the first level of the Engineering, Information Technology, Operations Support, Scientific, or TVA Program Planning and Administration job families and is being filled by applicants obtained through college recruitment; (f) if the position is filled by transfer of an employee in the same competitive level from a position which is in Groups 1, 2, or 3 (see section B-2) in accordance with provisions stated in section C; (g) if the position is one for which TVA and the EA agree that there would be no well-qualified applicants from within TVA; (h) if the position is in the technician level of the technical support job family and is being

filled by applicants obtained through technical school recruitment who at the time of appointment have received associate or other certificates of graduation; or (i) under other conditions as agreed on between the EA and the TVA organization affected.

Internal and external candidates may be considered for positions excepted from the vacant position announcement procedure under S-7:B-5(e) and (h), within four years of their degree completion.

6. Notification Procedure

Within 14 days of filling a position, TVA notifies each applicant and the central office of the EA, electronically or in writing, as to who was selected for the position and, upon request, TVA provides the central office of the EA a list of the unsuccessful applicants. If it is decided not to fill the position, TVA notifies each applicant and the central office of the EA, electronically or in writing, within 14 days of the decision.

7. Delay of Transfer

When transfer of an employee selected for an announced position involving increase in pay must be delayed for business reasons, the employee's status is temporarily changed to the basic annual salary rate as determined by S-4:M-2 of the position for which selected no later than the beginning of the third pay period following the date the employee accepted the position.

8. Interviews

The TVA organization filling the position determines whether it will conduct interviews and determines which applicants it will interview. The TVA organization in which an employee-applicant holds a position will not deny the employee-applicant any offer of an interview. This provision regarding interviews does not in any way modify S-5, General Provisions for Selection.

C. Transfers Without Vacancy Announcement

1. General Provisions

A vacant position may be filled without a vacancy announcement by transfer of an employee in the same competitive level as provided below. The term "current service date," as used below, means the date an employee began work under his/her most recent employment contract, adjusted for periods of nonpay status or intermittent work status since that date by the same method used to establish "federal service date" for reduction in force, with the exception that the first six months and only the first six months of a period of nonpay status count as service. However, nonpay status while in receipt of compensation for a job-related injury or disability counts in full.

Military or other non-TVA service or absence in receipt of compensation for a job-related injury or disability since the date of most recent appointment counts as service to the extent provided in applicable law or federal regulation providing for restoration rights following such service.

a. Any employee in the same competitive level and competitive area as the vacant position may be directed to transfer to the vacant position, as long as such transfer does not involve a change of official station.

b. The vacant position may be filled under the following procedure by voluntary or directed transfer from any official station at which there is a surplus of employees. The procedure is applied successively to Group 1, Group 2, and Group 3; hence a Group 2 transfer is not made if the position can be filled by a Group 1 transfer, and so on.

   (1) First, employees at the surplus location are given an opportunity to request transfer to the vacant position. Among those who request transfer, the one with the earliest current service date has the highest preference.
   (2) If no employee at the surplus location requests transfer, an employee at the location may be directed to transfer. In selection among employees at the surplus location for directed transfer, the one with the earliest current service date has the highest retention standing. Such directed transfers are not made within Group 2 if the surplus situation can be resolved by voluntary or directed transfer within Group 1, nor in Group 3 if the surplus situation can be resolved by voluntary or directed transfer within Group 2.
   (3) Employees are given the maximum period of notice to transfer that circumstances will allow. Notice is given at least two weeks prior to the effective date of transfer; provided, however, that voluntary transfers and emergency assignments to new locations may be effected with shorter periods of notice.

c. By agreement between TVA and the EA, an employee may be directed to transfer to a vacant position in the same competitive level from a position which is in Groups 1, 2, or 3 to meet special needs of the service without regard to the preceding paragraphs. Such a transfer to an occupied position, and consequent transfer of the displaced employee to another position, may also be made in this way.

D. Special Consideration for Employees Who Become Disabled

1. Employees With Compensable Job-Related Injury or Disability

A nontemporary employee (or a temporary employee with more than one year of current continuous service) or a former nontemporary employee who suffered a compensable job-related injury or disability, which includes a disease proximately caused by TVA employment, is treated while absent and in receipt of compensation and for restoration, creditable service, and reemployment list purposes in accordance with applicable federal law or regulation.

A temporary employee with less than one year of current continuous service is not terminated until after 30 days after the employee has reached maximum recovery, unless he or she is terminated at expiration of temporary appointment or upon

completion of temporary work for which employed. If employees cannot be returned to their position because of permanent partial disability resulting from the injury or illness, they are given the following special consideration:

a. TVA will try to place employees in vacant positions for which they are qualified which as nearly as possible approximates the level of the position they held when they became disabled. Such placement may be made without regard to the provisions of S-7:B.
b. If retraining is needed to qualify the employee for a position, it is provided for to the extent practicable. During retraining on the job, the employee is in a trainee job; for retraining through an outside agency, the employee is normally in a leave status. After retraining, placement may be made without regard to the provisions of S-7:B.
c. If the employee is not placed under the above provisions and the employee is able to do full-time work, the employee's name is placed on reemployment lists for one year for jobs for which the employee is qualified.

2. Employees Partially Disabled in Military Service

An employee who becomes partially disabled in military service, and who has restoration rights to TVA employment following such service, receives placement consideration in accordance with his/her restoration rights. In addition, to the extent practicable, TVA will provide for retraining the employee and will try to place him/her in a vacant position following such retraining, the same as if he/she had become disabled through TVA service-connected injury or illness.

3. Disability Retirees and OWCP Total Disability Cases Who Recover Ability To Do Full-Time Work

If a former employee on disability retirement from TVA, or receiving permanent total disability payments from the Office of Workers' Compensation Programs, recovers ability to do full-time work within five years after termination, the employee's name is placed on reemployment lists for one year after his/her recovery for jobs for which he/she is qualified.

E. Selection Among Persons with Reemployment List Preference

Persons on the reemployment list for a particular class of job are offered reemployment in a job in such class for which they are qualified before other applicants are employed, except that if there are fewer than three qualified persons on the reemployment list for jobs of a particular class, other applicants may be employed if better qualified. When this occurs, the EA is notified. The order of certification from a reemployment list is that prescribed by applicable law and federal regulations. Persons entitled to reemployment list preference are identified in section D-3 above and in S-10:L.

F. Selection of Persons on a Recall List

Persons on a recall list as provided in S-10:L are offered reemployment in a position in the same competitive area and level from which such employees were reduced in force before the position is filled through procedures of S-7. Job offers will be extended to employees on the recall list in reverse order of retention standing; that is, the last employee reduced in force shall be the first recalled or offered the position, until the retention list is exhausted. However, this order may be adjusted in accordance with the Veterans' Preference Act. Offers will be made by registered or certified mail to the last address provided to TVA by the employee. An employee offered under this provision has five calendar days from date of receipt in which to accept or decline the offer. If no response to the offer is received by TVA from the employee within this period, an offer will be made to the next person on the recall list. Upon tender of an offer to an employee, that employee's name is removed from the list regardless of the employee's acceptance, decline, or failure to respond to the offer. After exhausting the recall list, the position will be filled in accordance with S-7. The EA will be notified of any offers made under this provision.

SUPPLEMENTARY AGREEMENT 8

S–8 Demotion, Furlough, and Suspension

A. Demotion

Demotion is an involuntary change to a position in a lower level within the same job family or to a position with a lower midpoint of market range as defined in S-4:M-2,b. The return of an employee to his/her regular position following a temporary promotion is not a demotion.

A nontemporary employee is given a written notice of demotion with an effective date not less than 30 full calendar days after he/she receives the notice. A temporary employee is given written notice of demotion as far in advance of the effective date as possible, but 30 days' notice is not required. In demotion of a nontemporary employee, a copy of the notice is sent to the central office of the EA.

B. Furlough

Furlough is the removal of an employee from work and pay because of lack of funds, lack of materials, breakdown of equipment, bad weather, disaster, or similar conditions which are expected to last not more than 30 calendar days.

A nontemporary employee is given a written notice of furlough. The effective date is not less than 30 full calendar days after the employee receives such notice, unless the furlough is due to unforeseeable circumstances, such as sudden breakdown in equipment, acts of God, or emergencies requiring immediate curtailment of activities.

A temporary employee is given written notice of furlough as much in advance of the effective date as possible.

C. Suspension

Suspension is the removal of an employee from work and pay without his/her consent during an investigation, or for disciplinary reasons, or to protect the health of the employee or the interests of the government, other employees, or the general public.

In suspension for other than disciplinary reasons, annual leave is granted at the employee's request if not contrary to law or general regulation, or if the suspension does not involve a situation of possible financial obligation by the employee to the federal government. If, after a suspension pending investigation, TVA determines that no administrative or disciplinary action against the employee for the charges investigated is warranted, TVA will restore any annual leave taken or basic pay lost by the employee because of the suspension during the investigation. In a suspension required for medical reasons, sick leave is granted at the employee's request.

A nontemporary employee is given written notice as far in advance of the effective date of suspension as possible. Such notice may be effective immediately when necessary to protect the health of the employee or the interests of the government, other employees, or the general public. In the case of a suspension for disciplinary reasons, if the suspension is for more than 30 calendar days, the beginning date is not less than 30 full calendar days after the employee receives the notice; if the suspension is for 30 days or less, and the employee is given less than five days' notice in work status, the reasons for not giving at least five days' notice are stated in the notice.

A temporary employee is given written notice of suspension in advance of the beginning date of suspension.

In suspension of a nontemporary employee, a copy of the notice is sent to the central office of the EA.

SUPPLEMENTARY AGREEMENT 9

S–9 Involuntary Termination
(Except Reduction in Force)

A nontemporary employee, who has completed his/her probationary period under S-23, is given written notice of involuntary termination with an effective date not less than 30 full calendar days after he/she receives the notice. A copy of such notice is sent to the central office of the EA.

A temporary employee, or a nontemporary employee serving a probationary period under S-23, is given written notice of involuntary termination as far in advance of the effective date as possible, but 30 days' notice is not required. A copy of such notice is sent to the central office of the EA.

Employees are kept in work status during the notice period, unless this may be detrimental to the interests of the government, other employees, or the general public.

A probationary period employee is given written notice of involuntary termination with an effective date not less than five full working days after he/she receives the notice. A copy of such notice is sent to the central office of the EA.

SUPPLEMENTARY AGREEMENT 10

S–10 Reduction in Force

A. Introduction

In reductions in force, TVA is subject to applicable regulations of the Office of Personnel Management under section 12 of the Veterans' Preference Act. This supplement is an agreement as to the application of the regulations in TVA and as to procedures on matters not covered by the regulations. If the regulations are changed or new interpretations are received from the Office of Personnel Management, TVA may change its practice accordingly; in such case, TVA notifies the EA so that agreement can be reached on corresponding changes in this supplement.

B. Definition of Reduction in Force

Reduction in force (RIF) is the release of a permanent, prepermanent, or indefinite employee from a given competitive area and competitive level because of lack of work or funds, reorganization, downward reclassification of an employee's position because of a deliberate change in duties for reasons not involving the adequacy of the performance of the employee in the position or because of a gradual decline in the level of duties, exercise of restoration rights after military or other special service, or application of S-10:K reassignment procedures following RIF. An employee so released is terminated unless he/she is offered and accepts another position.

C. Competitive Areas

The following organizational units are competitive areas:

1. Office of the Chief Executive Officer

2. Inspector General

3. General Counsel

4. Nuclear Power Group (NPG), not including recognized competitive areas within the NPG organization. Within the NPG organization, the following are separate competitive areas:
    a. Nuclear Engineering
    b. Nuclear Support
    c. Nuclear Oversight
    d. Nuclear Licensing
    e. Browns Ferry Nuclear Plant
    f. Sequoyah Nuclear Plant
    g. Watts Bar Nuclear Plant
    h. Bellefonte Nuclear Plant

5. Nuclear Construction (NC)

6. Generation Group (GG), not including recognized competitive areas within the GG organization. Within the GG organization, the following are separate competitive areas:
    a. Coal Operations
    b. Power Service Shops
    c. Equipment Support Services
    d. River Operations and Renewables
    e. Power Supply and Fuels (PS&F)
    f. Inspection, Testing, Monitoring and Analysis
    g. Generation Construction
    h. Environmental Permits & Compliance
    i. Gas Fleet Operations
    j. Generation Engineering

7. Administrative Services, not including recognized competitive areas within the Administrative Services organization. Within the Administrative Services organization, the following are separate competitive areas:
    a. Property and Natural Resources
    b. Supply chain
    c. Human Resources
    d. Diversity and Labor Relations
    e. Training, Development and Organizational Health
    f. Government Relations

8. Policy and Oversight, not including recognized competitive areas within the Policy and Oversight organization. Within the Policy and Oversight organization, the following are separate competitive areas:
    a. Communications
    b. Compliance and Policy Oversight
    c. Dam Safety Governance
    d. Energy Efficiency and Demand Response
    e. Environmental Policy and Regulatory Affairs
    f. Retail Regulatory Affairs
    g. Safety and Health
    h. Security and Emergency Management
    i. Technology and Innovation

9. Financial Services, not including recognized competitive areas within the Financial Services organization. Within the Financial Services organization, the following are separate competitive areas:
    a. Controller
    b. Treasury
    c. Strategy, Financial Planning, and Business Development
    d. Pricing and Contracts
    e. Information Technology
    f. Business Services
    g. Risk Management

10. Energy Delivery (ED), not including recognized competitive areas within the ED organization. Within the ED organization, the following are separate competitive areas:
    a. Electric System Projects
    b. Transmission Operations and Maintenance
    c. Transmission Reliability & Operations
    d. Customer Relations
    e. Economic Development
    f. Transmission Reliability Engineering and Controls (TREC).

D. Competitive Level

The competitive level for RIF consists of the position or positions to be eliminated and all positions at the same job family, category, and level whose duties and responsibilities are sufficiently similar to those of the position or positions being eliminated that their incumbents should be expected to be readily interchangeable, without undue interruption to the work program. Full-time positions, part-time positions, and intermittent positions are each in a different competitive level.

A position as a designated union representative is not interchangeable with other positions because of the special duties of the designated union representative positions. Therefore, in a RIF, such representatives are considered in a separate competitive level in his/her competitive area and shall be retained above others within the competitive area and the competitive level which the employee would be in if he/she were not a designated union representative. A list of these designated union representatives is kept by the EA and is supplied to TVA annually at the beginning of each fiscal year. The agreed-to ratio of designated union representative positions to bargaining unit employees is as follows:

EA—1 to 40 + the 4 Valley-wide officers

E. Retention Register

In a RIF, a retention register is prepared which lists all employees in the given competitive area and competitive level by groups in the following order:

Retention Group I:
- AD. Employees with veterans' preference in RIF who have compensable service-connected disabilities of 30 percent or more and permanent tenure.
- A. Employees with veterans' preference in RIF not included in subgroup AD and permanent tenure.
- B. Other employees with permanent tenure.

Retention Group II:
- AD. Employees with veterans' preference in RIF who have compensable service-connected disabilities of 30 percent or more and prepermanent tenure.
- A. Employees with veterans' preference in RIF not included in subgroup AD and prepermanent tenure.
- B. Other employees with prepermanent tenure.

Retention Group III:

AD. Employees with veterans' preference in RIF who have compensable service-connected disabilities of 30 percent or more and indefinite tenure.

A. Employees with veterans' preference in RIF not included in subgroup AD and indefinite tenure.

B. Other employees with indefinite tenure.

Within any subgroup in which employees will be terminated, employees are listed in order of their service dates, the employee with the most recent service date being listed at the bottom of the subgroup. An employee's service date is (1) the date of his/her entrance on duty, if he/she had no previous creditable service; or (2) the date obtained by subtracting the employee's total creditable previous service from the date of his/her latest entrance on duty.

Creditable service and the method of calculating service dates are defined in and established by Office of Personnel Management regulations.

If two employees within a given subgroup have the same service date, the employee with the greater amount of service at the job family and level being affected by the RIF will be listed above the other employee. If both employees have the same amount of time at that job family and level, one employee will be listed above the other on the basis of an administrative decision.

Employees are terminated in the reverse order from which they are listed on the retention register, with such exceptions as are prescribed under law or are provided for below.

Any employee affected by a RIF, or his/her union representative, may see a copy of the retention register. A copy of the register is sent on the date of issue to the central office of the EA. If the actions shown on this register are changed after the register is issued, the central office of the EA is informed in writing.

F. Termination of Temporary Employees

Employees on a temporary appointment with less than one year of current continuous service and nontemporary employees serving on a temporary promotion in the targeted competitive area and level are not listed on the retention register. All employees serving in the competitive area and level whose names are not listed on the retention register are separated from the competitive area and level before any employee on the register is separated. There is no prescribed order of separation of employees serving in the targeted competitive area and level on a temporary basis.

Employees who complete one year of current continuous service under a temporary appointment are included in Retention Group III.

G. Exceptions to Regular Retention Order

An exception to the regular retention order (other than one required under law) may be made only when it is necessary to keep an employee on essential duties which cannot be taken over within 90 calendar days and without undue interruption to the work program by an employee with higher retention standing. In such a case, the notice of RIF to the employee adversely affected (that is, the one who would not have been reached otherwise) states the reasons for the exception. A copy of this notice is sent to the central office of the EA. In general, an exception may be made only where an employee is working on a specific and essential project which the employee cannot give up without serious harm to the program of which the project is a part. Exceptions may not be used to give indefinite protection to an employee who is in reach for separation.

H. Temporary Retention of Certain Employees Selected for RIF

An employee who is within reach may be temporarily retained for not more than 90 days after the effective date of RIF actions for higher-ranking employees in the same competitive level when: (1) temporary retention of the lower-ranking employee is necessary to continue an essential function, or (2) temporary retention of the lower-ranking employee is necessary to satisfy a governmental obligation to the retained employee which cannot be met within the normal notice period, or (3) the higher-ranking and the lower-ranking employees each are in the same retention subgroup and have the same service dates, but the lower-ranking employee has a different official station and the employee's services are needed temporarily at that station. The temporarily retained employee may not be retained beyond the 90-day maximum unless the higher-ranking employees have been reemployed meanwhile. The 90-day maximum does not apply to temporary retention in order to grant sick leave. If the temporary retention is for 30 days or less or, regardless of duration, is for the purpose of granting sick leave, the reasons for the retention are recorded opposite the employee's name on the retention register and the date the retention will end is recorded as soon as it is known.

When the temporary retention is for more than 30 days and is not for the purpose of granting sick leave, each higher-ranking employee who is adversely affected by the RIF is furnished in his/her notice of RIF the reasons for and the duration of the retention except that, when the need to retain a lower-ranking employee is not known at the time the RIF notices are issued, a notice of the reasons for and duration of the temporary retention is sent to each higher-ranking employee as soon as possible. A copy of every notice which contains information about a temporary retention is sent to the central office of the EA.

The retention standing of an employee temporarily retained in his/her competitive level under the provisions of this section is determined as of the date the employee would have been released from his/her competitive level had temporary retention action not been taken. The employee's retention standing, including his/her eligibility for right to reassignment under section L remains fixed until he/she is terminated or otherwise

separated from the competitive level of the RIF, even though by virtue of the temporary retention his/her employment status may change from prepermanent to permanent and he/she accrues service credit for other purposes. This rule also applies to an employee whose termination is delayed to grant sick leave or to grant current annual leave that cannot be included in a lump-sum leave payment where no higher-ranking employee is affected. However, the retention standing of an employee whose termination is delayed to continue work where no higher-ranking employee is affected is that he/she has on the date of termination.

I. Notice of RIF to Employee

An employee reached for RIF is given written notice of RIF not less than 60 days in advance of the effective date.

A temporary employee being laid off is given a written notice of termination of temporary employment as much in advance as possible.

The period covered by a RIF notice is in work status if possible.

J. Consideration for Placement in Vacant Positions During RIF Notice Period

An employee selected for separation from a job in RIF is considered for placement in vacant jobs in accordance with S-7.

K. Right to Reassignment

A nontemporary employee with 10 or more years of TVA service who is selected for separation from his/her job in RIF may displace another employee in the same competitive area, but in a different competitive level, by application of RIF procedures. Jobs for which he/she is considered under this provision are those in the same competitive level as that job the employee last held on a nontemporary basis which had a different level with a lower market rate or the same level with at least 10 percent lower market rate than his/her current job. (If the job last held has been assigned to a different competitive level, the entitlement to consideration applies to the new competitive level.) If such a competitive level does not exist in the competitive area, or if it exists but all the employees in it have higher retention standing, the employee is so informed in writing and is given notice of RIF in his/her current job. If the employee can be placed under the above procedure, the employee is given a written offer of such placement and also a notice of RIF in the employee's current job. The employee has three days in which to accept or reject in writing the job offered him/her. Permanent employees with ten or more years of TVA service who are not eligible for inclusion in bargaining units may be reassigned to positions in bargaining units in accordance with this paragraph.

L. Special Consideration for Reemployment Following RIF

1. Reemployment List

A full-time or scheduled part-time employee who receives a notice of RIF and is terminated or accepts a temporary position or a position at a different level with a lower market rate or the same level with at least 10 percent lower market rate is eligible to have his/her name carried for two years on the reemployment lists for jobs for which the employee indicates interest and availability at the time of separation and which are in the same job families as jobs he/she has held in TVA. A former employee who at the time of checkout did not request to go on reemployment lists may, upon written request made within two years of termination, have his/her name placed on such lists for the remainder of the two years. An employee's request for earlier termination after receiving formal notice of reduction in force, or the employee's refusal of an offer of another TVA job made during the notice period, does not affect the employee's eligibility for placement on reemployment lists; this holds even if the RIF notice is canceled. Persons on reemployment lists have preference for reemployment as provided in S-7:E.

2. Recall List

A full-time or scheduled part-time employee whose current period of employment includes five or more years of service as provided in S-10:N-1 who receives a notice of RIF and is terminated or accepts a temporary position is eligible, by deferring receipt of the full severance pay allowance, to have his/her name carried for one year from the date of RIF on a recall list for positions in the same competitive level and area from which he/she was released in RIF. If an entire competitive level is moved from one competitive area to another, an employee RIFed, at the time of the move, from the former competitive level and competitive area is entitled to recall rights in the new competitive area. Such election to defer receipt of the full severance pay allowance to obtain recall consideration must be made prior to the effective date of RIF. If an employee elects placement on a recall list for a position and that position becomes vacant during the one-year period of recall, the employee will have recall rights as provided in S-7:F. An employee may, upon request, be placed on a recall list in addition to any reemployment list to which the employee is entitled.

M. Volunteering for RIF Resignation

An employee may volunteer for RIF in the place of an employee who has received a notice of RIF. The employee volunteering for RIF provides a written notice to TVA of his/her willingness to accept a RIF. Such an offer may be accepted at the option of TVA. If accepted by TVA, the employee is eligible for severance pay as is provided in S-10:N. (A termination under this paragraph is handled as a special kind of resignation.)

The above paragraph also applies to an employee who volunteers for RIF on the basis of a general notice to employees in a competitive area that a reduction of a specified

approximate number of positions in the competitive area will be made. In the event a general notice is used and there are sufficient volunteers, acceptable to TVA to satisfy the need for RIF, no further action is needed. If, however, an insufficient number of employees volunteer for RIF on the basis of a general notice, other employees in the competitive area may still volunteer for RIF after individual notices of RIF have been issued.

N. Severance Pay

1. Eligibility

A salary policy annual employee is eligible for severance pay if:

a. The employee gets a formal written RIF notice; and

b. The employee's current period of employment, beginning with his/her most recent appointment date and ending on the effective date of such notice, includes five years or more of full-time annual service or the equivalent amount of service worked on either a scheduled part-time annual basis or a combination of full-time or scheduled part-time annual basis. Part-time annual service prior to December 23, 1985, is converted to full-time service on the basis of 50 percent credit for the period of part-time service. From December 23, 1985, forward, actual hours worked will be used to determine the equivalency (the first six months, and only the first six months, of any period of nonpay employment status during such service counts; absence during such service in order to perform non-TVA service from which restoration rights are provided by applicable law or regulation counts to the extent provided by such law or regulation) or his/her current period began by recall following an earlier RIF; and

c. The employee has not received from TVA an offer of a nontemporary full-time annual position or, if part-time, an offer of a nontemporary part-time position at the same or higher basic annual salary rate or trades and labor wage rate at, or prior to, the date such notice was received; and

d. The employee is terminated from TVA (1) through the RIF procedure, or (2) by resignation during the notice period, or (3) at the end of a period of temporary annual employment to which he/she transferred after receiving his/her RIF notice; or the employee transfers to other than an annual TVA position.

   The most recent appointment date for an employee who received severance pay at time of transfer to other than an annual position and who subsequently transfers without a break in service to another salary policy annual position is the date of transfer to the latter position.

2. Severance Pay Allowance

The amount of severance pay is five days' pay for each full year of full-time annual service or equivalent (salary policy or trades and labor) during the period beginning with the employee's most recent appointment date as defined in N-1 above and ending with the date of termination or the date immediately prior to transfer as referred to in N-1,d above. Part-time annual service is creditable on the same basis as in N-1,b above. Employees whose current period of service began by

recall following an earlier RIF are also given credit for each full year of service for which they did not receive severance pay in the earlier RIF as a result of accepting recall. The first six months, and only the first six months, of any period of nonpay employment status during such service counts; absence during such service in order to perform non-TVA service from which restoration rights are provided by applicable law or regulation counts to the extent provided by such law or regulation.

The maximum is 150 days' pay.

3. **Payment**

Severance pay allowances for employees not electing recall are paid in a lump sum upon termination. If an employee is transferred to a temporary annual position, the payment is made at the end of such temporary employment. If an employee is transferred to other than an annual position, the payment is made at the time of such transfer. The lump sum is paid at the rate in effect on the effective date of the employee's termination, as set forth in the notice of RIF (or on the date prior to the date of transfer).

Severance pay allowance for an employee who elects to be placed on a recall list is paid upon termination in monthly payments equivalent to 1/12 the total severance pay entitlement for each month during the one-year period the employee remains on the recall list. For employees who elect recall and accept a temporary position upon RIF, the initial monthly severance payment if terminated from the temporary position within one year will be equivalent to the total of the monthly payments they would have received had they not been on temporary appointment. If the temporary appointment exceeds one year and the employee is terminated, the employee will be paid the entire severance pay allowance in one lump-sum payment.

SUPPLEMENTARY AGREEMENT 11

S–11 Grievances

A. General Matters

An employee who disagrees with his or her managers as to the interpretation or application of the terms of a supplementary agreement, or as to the application of a policy to him/her as an employee, may file a grievance. The employee may file a grievance personally or through the union recognized as the representative of the position the employee holds. (In this supplementary agreement, the term "employee" includes the union acting in behalf of an employee or group of employees.)

A grievance may not be filed to change the substance or content of any negotiated policy, standard, or procedure contained in the supplementary agreements. Changes in these are made only through negotiations. In addition, a grievance may not be filed to challenge TVA's unilateral establishment, revision, or elimination of any policy, standard, or procedure nor the substance or content thereof.

Time limits are established herein for certain grievance steps. Where time limits are not established, employees, unions, and representatives of management are nevertheless expected to act promptly.

Time limits established herein are binding on both TVA and the EA. However, such time limits may be extended or waived by mutual agreement.

In the event TVA denies further processing of a grievance based upon the belief that the filing or appeal was not within the applicable time limits, the EA may appeal such denial directly to the Vice President, Labor Relations in accordance with the provisions of S-11:C. It is agreed by both TVA and the EA that such an appeal and any subsequent appeal to arbitration will be heard in a prompt manner, concurrently with other cases, to speedily resolve the matter.

B. Filing a Grievance

Prior to filing a formal grievance in all grievances except selection, suspension, or termination, the employee will discuss the complaint with the manager responsible for the action in an effort to resolve the problem. The responsible manager is the manager who is in fact ultimately responsible and not a manager who carried out instructions given by someone else. The immediate manager (i.e., the lowest-level manager to whom the employee reports) names the responsible manager to the employee at the employee’s request. During and after this discussion, the parties are free to make informal adjustments that would eliminate the need to file a grievance.

A grievance is filed by submitting a completed grievance form to the responsible department manager. In selection cases, the grievance form is filed with the manager responsible for the selection. This form must be filed within 30 calendar days after the employee learns of the action or proposed action and, except for grievances challenging a termination, suspension, demotion, or warning letter, the employee should indicate on the grievance form the specific provision of a supplementary agreement or other policy, procedure, or standard that the employee believes has been incorrectly applied to him or her. Upon receipt, the manager distributes the completed grievance form without delay. The vice president or his/her designated representative will call a conference within 15 calendar days from receipt of the grievance form for the purpose of discussing the issue with the responsible manager, human resources representative, the employee-grievant, and the union representative. Within 15 days of this conference, the vice president or his/her designated representative shall effect a resolution or render a decision. The vice president or his/her designated representative records the decision or the terms of the resolution on the grievance form. Copies of this are given to the aggrieved employee, the central office of the EA, and the Vice President, Labor Relations.

C. Appeal to Vice President, Labor Relations

The decision of the vice president or his/her designated representative may be appealed to the Vice President, Labor Relations in writing with a copy to the organization. This must be done within 15 calendar days after the union (or "employee" if not being represented in the grievance by a union) receives the decision as provided for in S-11:B. Within 30 calendar days of receipt of this appeal by the Vice President, Labor Relations, the Vice President, Labor Relations or his/her designated representative will call a conference within 60 calendar days of the interested parties of management and of the employee for the purpose of seeking mediation of the grievance, considering additional information or clarifying the issue or facts. Absent a mediation resolution, the Vice President, Labor Relations or his/her designated representative renders a written decision within 15 calendar days after the conference is completed. Copies of the decision are sent to the employee and the central office of the EA.

D. Arbitration on Dispute Involving Application of Supplementary Agreements

Only a grievance which involves a disciplinary action (termination, suspension, demotion, or warning letter), or a claim of misinterpretation of an express provision in a supplementary agreement, may be appealed to arbitration under these paragraphs. The EA has 20 calendar days in which to appeal following receipt of the decision pursuant to S-11:C. The arbitrator is selected jointly by TVA and the EA and serves at their pleasure. Either party may remove the arbitrator from service by giving 30 days' notice to the other party.

1. Traditional Arbitration

Once TVA receives notice from the EA of intent to arbitrate, TVA will contact the EA within seven calendar days to jointly communicate with the arbitrator for the

purpose of setting a date for arbitration. The parties agree to schedule and hold the arbitration hearing date within 120 calendar days from the date of EA notification to TVA of intent to arbitrate. In the event the arbitrator is unable to hear the grievance within 120 calendar days, the parties shall proceed to the next scheduled arbitrator.

The panel of arbitrators shall be expanded to 10 who are current members of the National Academy of Arbitrators.

The arbitrator shall hold a hearing as soon as practical after he/she receives notice of the appeal at a site mutually agreeable to TVA and the EA. The decision of the arbitrator shall be accepted by both TVA and the EA as final. The compensation and expenses of the arbitrator shall be born jointly by TVA and the EA.

In grievances which the EA alleges that TVA improperly selected an individual to fill a vacant position, the EA may appeal to arbitration the nonselection of not more than two employees for each position which they feel TVA made an improper selection.

The arbitrator's jurisdiction is limited to interpretation and application of the express terms of the supplementary agreements and does not have the power to add to, subtract from, or modify a term or provision of the agreements or to render a decision contrary to federal laws or regulations applicable to TVA. Likewise, the arbitrator has no authority to rule on any matters not specifically set forth in these supplementary agreements nor to find any implied obligations with respect to these supplementary agreements. This paragraph, however, does not restrict the arbitrator in determining the intent of the parties on how specific language of the supplementary agreements is to be interpreted.

2. Expedited Arbitration

By mutual agreement of the parties, this process may be utilized concerning any matter contained in this section. The expedited process is outlined below:

a. The arbitrator is selected from those arbitrators on the TVA/EA S-11:D-1 Arbitration Panel who have expressed a willingness to conduct expedited arbitration in accordance with this provision. The parties will select the initial arbitrator from this panel by alternately striking names until the arbitrator is determined. The parties may, after 30 days notice to the other party, request the next arbitrator for the approved panel, as long as the arbitrator has issued at least four decisions. Subsequent arbitrators are selected by alphabetical rotation (last name). Upon selection the arbitrator will immediately be notified of his/her selection and available hearing dates will be jointly determined.
b. The arbitrator shall hold a hearing as soon as practical after he/she receives notice of the appeal at a site mutually agreeable to TVA and the EA. The decision of the arbitrator shall be accepted by both TVA and the EA as final. The compensation and expenses of the arbitrator shall be born jointly by TVA and the EA.

c. All opening statements briefs are limited to one 8.5 x 11 typed, single-spaced page.
d. The parties are limited to 1.5 hours each for presentation, examination of witnesses, and presenting closing arguments.
e. No post-hearing briefs will be allowed.
f. The arbitrator will issue a brief written explanation of his/her rationale within three working days after conclusion of the hearing.
g. The arbitrator's award will not be utilized by either party by reference or exhibit in any subsequent arbitration proceeding.

E. Representation of Employee in a Grievance

An employee may represent him/herself or may have the EA represent him/her in presenting a request or complaint or in handling a grievance. If the employee represents him/herself, and if the grievance is appealed beyond the responsible manager, TVA informs the central office of the EA. The union may have its representative attend all conferences.

F. Back Pay for Period of Improper Demotion or Removal From Pay Status

If an employee is terminated or otherwise removed from pay status or demoted and, as a result of an appeal or review, a decision is made that the action was unjustified or unwarranted, the employee receives back pay in accordance with federal law. In the case of a termination or a removal from pay status, the employee receives the amount of pay he/she would have received had he/she not been removed, less any amounts he/she received from other employment in the interim. In the case of a demotion, the employee receives the difference between the amount of pay at the reduced rate and the amount of pay he/she would have received had he/she not been demoted; if the decision awards the employee an intermediate status, the difference is based on such status. If a decision requires that an employee be demoted in lieu of termination, he/she is retroactively restored to the lower-level position or position with lower midpoint of market range effective to the date of the erroneous action, and back pay is handled as if removal had been from the lower position. For all purposes, including leave accrual, this period is treated as creditable service.

G. Retroactive Promotion in Case of Improper Selection

If a decision is rendered that a selection for a position was improper and that the grievant should have been selected or a reselection made, and if filling the position in accordance with the decision is accomplished by promotion, the promotion is retroactive to a date determined as follows:

1. If no delays for the convenience of the employee or the union have occurred in processing the grievance, the promotion is retroactive to the date the person who was improperly selected entered the position, unless otherwise mutually agreed.
2. If a delay or delays for the convenience of the employee or the union have occurred in processing the grievance, the effective date of promotion is made more recent than the

date provided for in section 1 above by the number of calendar days of such delay or delays, unless otherwise mutually agreed.

3. Delay is defined as the number of calendar days used by the employee or the union in excess of specified time limits set forth in this agreement.

H. Access to Personnel Records

Either party to a grievance may see personnel records which pertain to the case. After a grievance case is closed, any matter referring to the grievance is removed from the personal history record of the employee involved.

I. Appeals Under Other Procedures

If an appeal or formal complaint with respect to an action, matter, or proposed action is or has been filed under a separate procedure provided by law or federal regulation, a grievance regarding such action, matter, or proposed action will not be considered or, if in process, will not be further considered or decided under this Agreement.

J. Excuse From Work To Participate in Grievance Processing

An aggrieved employee and such other employees who represent the employee or act as witnesses for the employee and whose participation in grievance processing is jointly determined by TVA and the union to be necessary are excused from work for the time required to permit such participation without loss of pay. In a grievance brought by or in the name of two or more employees, the number of such employees who are excused from work to participate in grievance processing is jointly determined by TVA and the union. TVA is not required to pay travel expense or per diem; however, travel expense and/or per diem may be paid in cases where TVA determines that payment is appropriate.

K. Unfair Treatment Grievances

A grievance on the basis of unfair treatment not covered by any other provision of the Articles of Agreement or Supplementary Agreements may be processed through the S-11:B appeal level and cannot be appealed beyond that level. However, the issue may be referred to the Vice President, Labor Relations for mediation if it is not resolved through the grievance procedure at the S-11:B level. The Vice President, Labor Relations or his/her designee will serve as mediator in an effort to assist in resolving the matter. No decision will be issued at that level.

SUPPLEMENTARY AGREEMENT 12

S–12 Service Review

A. Performance Objectives

An employee and his or her manager jointly establish specific performance objectives for the annual rating period. Performance objectives are established early in the fiscal year and are based on the major job duties of the employee's position description. Job duties and performance objectives should be reviewed throughout the year and adjusted if necessary.

If the manager and employee fail to agree on the establishment of initial performance objectives and/or weightings, the employee has 30 days to file an S-12:A appeal form with the responsible manager, and the matter will be resolved through the agreed-upon dispute resolution process for goal-setting. The manager's proposed goals are entered into the Integrated Performance Management system, but not placed in the personal history record during the dispute resolution process.

The EA service review form is considered to be part of this Supplementary Agreement.

B. Goal-Setting Process

Goal Categories

Performance Objectives • Individual Performance • Position-Specific • Individual Contribution to BU/Group goals Objectives are individually weighted Recognition that some objectives may be subjective	70 percent
Performance Competencies Competencies are individually weighted	30 percent

Goal-Setting Process
Manager provides BU/Group goals to employees

Manager and employee meet to jointly establish employee goals to support BU/Group goals according to the IPM schedule

- SMART criteria (Specific, Measurable, Attainable, Relevant and Time-Bound) will be used, where applicable.

- Meets/Exceeds criteria should be clear.

If the manager and employee fail to agree on the establishment of initial performance objectives and/or weightings, the employee has 30 days to file an S-12:A appeal form with the responsible manager. The manager's proposed goals are entered into IPM system, but not placed in PHR during the dispute resolution process.

Dispute Resolution Process

1. Within three calendar weeks of the filing of the appeal, the employee, manager, DUR and HR will meet for the purpose of mediating a resolution. Both the manager's and the employee's proposed goals are submitted for review.
2. Absent resolution through mediation, the employee may appeal the matter to the Joint Review Board. This is done by submitting a copy of the completed appeal form, with a written notice of appeal, to the SVP ER&D and EA Valley-Wide President within 15 calendar days of the date the mediation is held.
3. The Joint Review Board members will be the Senior Manager, EA Section President, and SVP ER&D or EA Valley-Wide President (alternating)
4. The Joint Review Board will issue a non-precedential bench decision that is final and binding
5. Attendees at the Joint Review Board will be limited to the appropriate Human Resources Consultant, EA Labor Relations Specialist, employee and manager

Joint Review Board standards:

- proposed objectives are within definition and capabilities/qualifications of job description
- proposed objectives are clear and achievable
- proposed objectives are consistent with and in alignment with TVA business objectives

TVA and the EA will review this process annually to discuss need for change.

C. Annual Ratings

The manager communicates with the employee about job performance throughout the pay year/rating period. Annual ratings are assigned at the end of the pay year/rating period. There will be no forced distribution of ratings. Ratings are assigned for each performance objective and for each performance competency (except for those performance competencies deemed not critical for success on the job). Any employee

without written/electronic notice of his or her overall rating prior to the date the performance pool is distributed will receive a performance-based pay adjustment at the maximum base increase allowable in accordance with the performance pool matrix as if he or she had received a “satisfactory” overall rating, provided his or her approved performance objectives were in place.

Pursuant to the agreed-upon Goal-Setting Process, at the beginning of the rating period, each individual performance objective and performance competency is weighted in accordance with its relative importance. At the end of the rating period, performance on each objective and competency is rated (“Exceeds” = 4 points; “Satisfactory” = 3 points; “Marginal” = 2 points; “Unacceptable” = -1 point). Each rating is then multiplied by the appropriate weight, and the total points are summed to calculate an overall rating. The sum of the weights for performance objectives will contribute 70 percent, and the sum of the weights for performance competencies will contribute 30 percent in the calculation of the overall rating. The weighted overall score will determine the overall ratings as follows:

4 to 3.6	Exceeds
3.59 to 2.6	Satisfactory
2.59 to 2.0	Marginal
Below 2	Unacceptable

Any annual rating is grievable.

SUPPLEMENTARY AGREEMENT 13

S–13 Cooperative Conference Program

A. Principles

TVA and the EA recognize that the conferences between duly authorized representatives of employees and management are desirable. Conferences provide an orderly means through which the contribution of employees and management to the program of TVA can be promoted and maintained. The establishment of such joint conferences for the purpose of systematic union-management cooperation on matters of mutual interest is therefore encouraged.

B. Participation

Any employee in the organizational unit with an established cooperative conference may participate in the conference activity.

C. Objectives

Cooperative conferences consider such matters as strengthening the morale of the service; improving communications between employees and management; conserving manpower, materials, and supplies; improving quality of workmanship and services; eliminating waste, promoting education and training; correcting conditions making for grievances and misunderstandings; safeguarding health; preventing hazards to life and property; improving working conditions; and encouraging good public relations.

Conferences may discuss but not act on items that are subject to negotiation. They do not handle grievances.

D. Central Joint Cooperative Conference

1. **Functions**
   a. Develops basic guidelines for the organized program of union-management cooperation.
   b. Assists in the formation of and approves the establishment of local conferences.
   c. Reviews and appraises activities and progress of local conferences and provides assistance as needed.
   d. Coordinates activities of local conferences, particularly in connection with matters of Valley-wide significance.
   e. Considers and furnishes advice concerning items brought to the Central Joint Cooperative Conference by its members.
   f. Discusses major TVA programs and general policies related to union-management cooperation.

g. Sponsors suitable programs to provide information of general interest concerning TVA activities and objectives to employees, including the annual Valley-wide workshop for leaders of local conferences.
h. Issues materials to report on Central Joint Cooperative Conference and local conference activities, to promote union-management cooperation, and to inform employees of TVA activities.

2. Membership

The membership of the Central Joint Cooperative Conference is composed of three employee representatives designated by the EA and management representatives appointed by TVA, one of whom is the Senior Vice President, Labor Relations.

3. Officers

One of the Central Joint Cooperative Conference management representatives designated by the Senior Vice President, Labor Relations, and one of the employee representatives designated by the EA serve as cochairpersons of the central conference. A member of Labor Relations serves as secretary.

4. Meetings

The Central Joint Cooperative Conference meets on call by its cochairpersons. All actions are by unanimous concurrence.

5. Functions of the Secretary

The secretary advises on the promotion of the cooperative conference program, arranges formal meetings of the conference, maintains the records of the conference, and issues the conference's publications.

E. Local Joint Cooperative Conferences

1. Establishment of Local Joint Cooperative Conferences

The establishment of a union-management cooperative conference in any administrative unit composed primarily of EA-represented employees may be jointly explored in a meeting of representatives of the EA and of management. If employee and management representatives agree to the inauguration of a union-management cooperative conference, each party designates its representatives to the conference. The conferences are called "local conferences." They include divisional conferences and area conferences even though more than one locality is represented. Questions concerning the proposed organizational unit covered and the basis of representation in the conference are submitted to the Central Joint Cooperative Conference for its review, advice, and approval.

2. Membership

Management and the employees each designate members to serve on the local conferences; the numbers need not be equal. When all of the employees in the administrative unit in which the conference is established are not at one location, a sufficient number of members should be designated to provide adequate representation of employees and management in the conference.

The EA designates employee representatives. Management members are designated by the top manager of the administrative unit served by the conference. The top manager or his/her designated agent serves as a member.

3. Officers

The top manager or his/her designated agent and the chairperson elected by the employee representatives serves as cochairpersons of the conference. The conference elects a secretary. If the elected secretary is an employee representative, he/she is placed in travel status, including per diem, when travel is involved in attending a meeting sponsored by the Central Joint Cooperative Conference.

4. Functions of Officers

The cochairpersons, with the aid of the secretary, act as an agenda committee. This committee provides such data and reference material as may be necessary or helpful in considering the subjects on the agenda of regular or called meetings. Insofar as possible, the agenda and pertinent material are provided to conference members several days before the conference.

The secretary is the key contact person for the Central Joint Cooperative Conference. All correspondence is directed to the secretary. The secretary works with management and employee representatives and helps make the conference effective. In addition, the secretary keeps adequate records of conference activities. He/She prepares minutes of conference meetings. The cochairpersons review the conference minutes before issuance to assure that they accurately represent the discussion in the meetings. Copies of the minutes are then made available to members of the conference, to appropriate administrative officers, and to the Secretary of the Central Joint Cooperative Conference.

5. Organization to Handle Specific Functions

Each local conference provides for other details of its organization. Local conferences may establish subcommittees to handle specific functions. In large administrative units, subconferences may be established to deal with subjects limited in scope to the particular organizational unit represented.

6. Meetings

Meetings are scheduled at regular intervals, preferably once a month. The agenda committee may jointly agree to the postponement of a scheduled meeting.

Meetings are conducted on an informal basis with a minimum of procedural formalities. Since cooperative conferences seek to develop the most effective teamwork on the job, employee and management representatives have a common interest in exploring matters referred to them. The frank and full discussion of the problems or subjects on the agenda is therefore encouraged.

Decisions on matters under discussion are not reached by taking a parliamentary vote. Discussions continue until consensus is reached, if possible, on the best

conclusion. The presiding chairperson states a tentative conclusion, and if there are no objections, it stands as the conclusion of the conference. Sometimes it may be desirable to provide for further study before the next meeting and continue the item for discussion before a conclusion is reached. Full understanding of problems by both employees and management is important.

7. Conclusions Requiring Follow-up Action

Conclusions reached in joint conferences sometimes require administrative action to assure their application. Management reports its action later to the conference. If for some reason the required administrative action is not taken, the conference is given an adequate explanation.

Employee representatives assume a similar responsibility for action or explanation when conclusions reached require definite follow-up action on the part of the employee organization(s).

SUPPLEMENTARY AGREEMENT 14

S–14 Union Membership and Payroll Deductions for Dues and Fees

A. Union Membership

Membership on the part of employees in the EA and participation in the activities of the organization are recognized as improving relations between management and employees and promoting employee efficiency and understanding of TVA policy, thereby contributing to the accomplishment of TVA objectives.

B. Payroll Deductions

The EA may participate in the payroll deduction plan for union dues and initiation fees by submitting a written request to the Vice President, Labor Relations, through its appropriate representative.

The union organization to which the deductions are to be paid bills TVA's Central Payroll Office for initiation fees and any dues in arrears in the manner and on the forms stipulated by TVA. Regular dues are deducted each pay period without a billing. Deductions are made for each pay period's dues from pay due for the previous pay period.

C. Employee Authorization

TVA makes payroll deductions for union dues and initiation fees from an employee's pay only upon receipt of an employee's authorization. Such required authorization form is considered a part of this supplementary agreement.

So long as the employee remains in a position within the jurisdiction of the EA and the employee has authorized dues deductions, the employee's authorization shall be irrevocable and continue in full force and effect: (1) for a period of one year from the effective date of the employee's authorization, and if not revoked as described below, each annual renewal thereafter; (2) until the employee's termination or transfer to a position not covered by the EA Articles of Agreement; or (3) until the expiration of this collective bargaining agreement; whichever occurs first. An authorization is automatically renewed annually unless TVA receives a written notice of revocation, with a copy to the union, within the 30-day period immediately preceding the annual anniversary date of the employee's authorization. Revocations received by TVA are effective for the month following the annual anniversary date, or as soon as practicable thereafter. To reinstate payroll deductions, an employee must execute a new authorization. In the event an employee transfers to another represented salary policy position outside the bargaining unit represented by the union to which the employee's current dues authorization is made, the employee's authorization is not automatically revoked, but can be revoked at any time after the transfer by giving written notice to TVA with a copy to the union; such revocations are effective for the month following TVA's receipt of the written notice, or as soon as practicable thereafter.

SUPPLEMENTARY AGREEMENT 15

S–15 Medical/Dental Insurance Plan

A. Coverage

TVA and the EA provide a medical/dental benefits plan for employees on a voluntary basis. Coverage provisions of the plan are negotiated between TVA and the EA. TVA reserves the right to determine the financial arrangements and entity by which the benefits of the plan are provided.

All annual employees, except part-time employees working less than 16 hours per week, may enroll in this plan regardless of age and without health requirements if they apply within 30 days of employment or transfer to an eligible position, or during any open enrollment period.

B. Plan Design

TVA and the EA propose all medical/dental benefits plan design changes via the joint Health Care Committee. This includes prescription drugs and vision care.

Where the joint EA Health Care Committee determines the value of the agreed-upon medical/dental benefits plan design changes remains equal to or is greater than the value of the existing medical/dental benefits plan design, TVA will implement plan design changes without further negotiation.

Where the joint EA Health Care Committee determines the value of the agreed-upon medical/dental benefits design changes results in a lesser value than the existing medical/dental benefits plan design, the medical/dental benefits plan changes will be negotiated between TVA and the EA.

In the event that the joint EA Health Care Committee is not able to reach agreement that the value of the proposed medical/dental benefits plan design remains equal to or is greater than the value of the existing medical/dental benefits plan design, the medical/dental benefits plan design changes will be negotiated between TVA and the EA.

In the event the joint EA Health Care Committee is not able to reach agreement on adoption or rejection of any proposed medical/dental benefit design change, the medical/dental benefits plan design changes will be negotiated between TVA and the EA. In the event impasse is reached in the negotiations between TVA and the EA, the parties will utilize the resolution process defined in Article IV of the contract.

C. EA Joint Health Care Committee

The functions of the EA joint Health Care Committee are to:

1. Carry on continuing study and evaluation of the group medical benefits plan, dental benefits plan, and related matters affecting employees.
2. Study experience under the medical/dental program and recommend to TVA and the EA any changes in costs and plan design. Review proposed medical/dental plan design changes in accordance with Section B above.
3. Review claims when satisfactory settlement has not been secured between an employee and the plan administrator.

The membership of the committee is composed of an equal number of representatives designated by the EA and TVA. A member of the Employee Benefits organization serves as secretary.

D. Medical/Dental Benefits Plan Payment

TVA and the EA will negotiate the amount of TVA's contribution to the total premium cost of medical/dental plans. TVA will not contribute to family coverage in two medical/dental plans for members of the same family (as defined for medical/dental benefits purposes). The amount paid by each employee is the difference between TVA's contribution and the employee's total premium cost for the plan option selected by the employee.

TVA contributes one-half of the contribution mentioned above on behalf of a part-time employee.

TVA makes payroll deductions for the employee's share of the cost of coverage, as applicable.

TVA pays its share of the premium up to 24 consecutive months for an employee who is on leave without pay because of a service-connected disability.

E. Basis for Medical/Dental Benefits Determination

TVA and the EA will determine medical/dental benefits plan design and offerings by benchmarking best practices of large employers in the southeastern United States including but not limited to utilities.

SUPPLEMENTARY AGREEMENT 16

S–16 Retirement

A. Retirement Age

Service retirement is not mandatory. An employee may remain in service as long as the employee's performance meets the requirements of the employee's position, and there is a need for his or her service.

B. Retirement System

Employees who are eligible shall be members of the TVA Retirement System. Such membership and the benefits thereof are governed by the rules and regulations of the system, which remain in effect until modified by procedures established by the Retirement System.

SUPPLEMENTARY AGREEMENT 17

S–17 Training

A. Importance of Training

TVA and the EA recognize that the economical and efficient execution of the program for which TVA has been established depends largely upon the knowledge, skills, abilities, and enthusiasm of employees. Such opportunities as are feasible to meet demonstrated needs for training shall therefore be made available to employees to the end that employee competence and versatility may be steadily increased.

B. Formal Training Programs

Formal training programs designed to qualify employees for placement, promotion or transfer to specific jobs or kinds of jobs included in recognized bargaining units are planned and administered by TVA and/or joint training committees as appropriate.

TVA identifies the need for training and determines training and/or progression plan curriculum.

When requested by either party, a joint TVA/EA training committee will be established. The committee roles and responsibilities will be determined by a small joint team and will be documented in a Memorandum of Understanding (MOU) as soon as possible after September 10, 2009.

Any actions taken as a result of a unanimous recommendation of the joint training committees are not subject to the grievance procedure provided in Supplementary Agreement 11.

C. Work Assignments for Training Outside TVA

TVA determines when it is to its best interests to assign an employee to take training outside TVA. In so doing, it takes into consideration foreseeable future requirements for which training is needed, as well as immediate needs. It also takes into consideration any requests by employees for such outside training. TVA determines whether it should pay all or part of the necessary expenses of the required training, including salary during training, tuition and registration fees, the cost of books and supplies required in the training, and per diem and travel expenses when they are involved. In cases where TVA does not pay all such expenses, the remainder is borne by the employee. The latter arrangement may be used when the training is of substantial benefit to the employee in his or her profession as well as required for the TVA program, and the employee agrees to take the training on the basis offered by TVA.

D. Required Training Assignments Outside the Vicinity

When TVA requires an employee to take training at a location outside the TVA vicinity and within the continental United States and the training period is scheduled for a minimum of six weeks, the employee is provided, after four weeks, round-trip transportation to the location of his or her work station during a period not to conflict with the training schedule. If training continues beyond six weeks, the employee is provided an additional round trip each four weeks, provided the employee's training will continue at least two weeks beyond any given trip. Applicable per diem, but not travel time outside of bulletined hours, is paid during the time of travel.

SUPPLEMENTARY AGREEMENT 18

S–18 Attendance at Union Activities

A. Meetings of Joint Union-Management Groups

An employee designated by the employee's union may attend a meeting of a joint union-management group or perform work related to such meetings during the employee's basic workweek. A meeting or work related to a meeting must be recognized by both the union and management as a type in which their joint efforts will facilitate accomplishment of TVA objectives. There is no loss of pay or charge to leave for the time involved. TVA does not pay such designated employees travel expense or per diem, but as feasible, TVA representatives take them to meetings in TVA transportation.

A joint group may be TVA-wide in nature or be limited to a component of the TVA organization. For purposes of this supplementary agreement, such groups may include cooperative conferences, joint committees established for specific purposes on a continuing or limited duration basis, joint conferences on classification standards, and similar joint groups concerned with TVA programs and objectives. (For attendance at grievance hearings, see S-11.)

The cochairs of a joint group have responsibility to ensure that the meetings make a positive contribution to the TVA program. Such meetings should be arranged as far in advance as possible for purposes of arranging for employees to be excused from their regular work. Permission to attend the meeting is granted unless there is an urgency requiring the employee to remain at the employee's regular work. Where a relief employee is required for one who attends a meeting, arrangements should be made early enough, in accord with the customary scheduling arrangements of the organization, to avoid premium pay expense to TVA. Where a union has latitude in selecting representatives for a particular meeting, it takes the TVA work situation into account in seeking to designate qualified employees who can best attend at the time set.

If a joint group has an established membership that has been mutually recognized, normally only the union representatives or their alternates are considered as designated representatives to attend the meetings of the group. Other employees may be designated to attend if it is mutually agreed by the joint group that such employees would fulfill a special purpose. If the union representatives for a meeting are selected according to the nature of the particular meeting instead of from a preestablished list, the number recommended by the union is the minimum practical number to represent the interests of the union.

An employee who is on the established membership of a joint group on a continuing basis keeps the employee's manager informed of scheduled activities so that the manager may arrange the employee's work in advance to permit attendance.

An employee who is designated to attend for a special purpose arranges directly with the employee's manager to attend. The manager obtains any additional management clearance as necessary or appropriate.

An employee other than a designated union representative who attends a meeting of a joint group does so on the employee's own time. He/She may be granted annual leave or leave without pay if his/her work permits.

B. Negotiations

Employees who represent their union in negotiations or in preparing for negotiations or who attend a negotiating meeting do so on their own time. They may be granted annual leave or leave without pay for such purposes if their work permits.

C. Union Meetings

Employees who attend meetings sponsored only by a union or group of unions during their basic workweek do so on annual leave, leave without pay, or by making individual shift swaps or prearranged schedule adjustments. Requests should be made sufficiently in advance to avoid any premium pay to another employee.

SUPPLEMENTARY AGREEMENT 19

S–19 Use of Office Services and Facilities

A. Bulletin Boards

Recognized unions may post notices on TVA bulletin boards concerning their meetings and activities, exclusive of membership solicitations. Postings are subject to TVA bulletin board regulations and clearance by designated TVA representatives.

B. Conference Rooms

When TVA conference rooms are not in use by TVA or otherwise committed by TVA, they are available for assignment to recognized unions whose memberships are wholly or largely composed of TVA employees. Arrangements to use rooms are made through representatives designated by TVA.

C. Interoffice Mail Service

Mail between TVA and the representatives of recognized unions and mail between representatives or members of recognized unions may be transmitted through TVA interoffice mail. This service is limited to mail that can be picked up or delivered in the administrative locations required for TVA's own interoffice mail. These unions may have depositories for the collection and delivery of mail in TVA mailrooms.

D. Other Office Services and Facilities

Use of other office services and facilities by recognized unions and representatives is governed by the same codes and instructions in the Administrative Release System that apply to personal use.

SUPPLEMENTARY AGREEMENT 20

S–20 Union Representation on the Job

Group representatives perform their regularly assigned duties and, in addition, as part of the employees' work, help to assure compliance with the terms of the agreement by assisting employees with complaints, providing an easily accessible channel of communication between managers and employees, and assisting in the investigation and presentation of formal grievances. They perform these functions by virtue of having been designated by the central office of their respective unions as the representative of a group of employees defined either as an administrative unit or by work location. These functions are an important and integral part of the administration of the TVA program.

The EA will keep management currently informed in writing of the identity of such employee representatives and the confines of the area or group in which they will exercise these responsibilities.

SUPPLEMENTARY AGREEMENT 21

S–21 Leave Without Pay to Work for a Labor Organization

A nontemporary full-time employee may request leave without pay to assume a full-time position with the EA directly serving TVA employees. The request will be approved by TVA provided it has the approval of the EA. Such leave without pay will be for the period the employee remains in the full-time position. An employee on leave without pay under this provision is treated, for all purposes, the same as other employees on leave without pay, except that TVA will continue to make its contribution to the TVA Retirement System in his or her behalf consistent with the rules and regulations of the TVA Retirement System if the employee agrees to and does currently reimburse TVA for such contribution.

When an employee on leave without pay under this provision leaves the union position, he or she will be entitled to return to a job in his or her classification in his or her organization provided the employee is physically and mentally qualified. The employee must notify the organization human resource officer within 30 days after he or she leaves the union position that he or she is ready to return to work. If the employee's return to active duty requires a RIF, he or she will be compared with other employees in the competitive area in accordance with the established provisions for RIF. Upon the employee's return to active duty, he or she may make up contributions toward his or her annuity under the TVA Retirement System in accordance with the rules of the system.

SUPPLEMENTARY AGREEMENT 22

S–22 Protective Eyewear

Employees who are required to wear protective eyewear of any type will be furnished such equipment by TVA. All safety eyewear furnished by TVA shall conform to the specifications standard, American National Standard Practice for Occupational and Educational Eye and Face Protection (Z87.1-1968).

Annual employees whose vision requires correction will be furnished corrective-protective eyewear. In such cases, the cost of the prescription lenses and the frame will be borne by TVA. The cost of any eye examination and fitting of the prescription glasses by an eye specialist (ophthalmologist, optometrist, or optician) will be borne by the employee.

When an employee's vision changes and corrective-protective eyewear having a different correction factor is required, it will be furnished by TVA. TVA will also replace at its expense any corrective-protective eyewear broken, damaged, or lost in the normal course of the employee's work. This will include damage due to normal wear and deterioration. Corrective-protective glasses lost off the job will be replaced by the employee at his or her expense; however, the employee may purchase such replacement glasses and frames through established TVA procedures.

If an employee desires more than one pair of corrective-protective glasses on his or her own prescription, the employee may purchase at his or her expense such additional glasses through established TVA procedures.

SUPPLEMENTARY AGREEMENT 23

S–23 Probationary Period

The first 180 calendar days of full-time service (or the equivalent in part-time and/or intermittent service) is considered a probationary period. If performance during the probationary period is not meeting expectations, a meeting of the employee, manager and union representative will be called by the manager to assure understanding of what is expected of the employee and the extent to which the employee is performing as expected. Management will clearly communicate to the employee and the union representative the purpose of the meeting when a probationary employee's performance is not meeting expectations during the probationary period. The manager or Employee Relations consultant will state orally or in writing that the employee's performance during the probationary period is not meeting expectations and the employee is subject to release from service. This meeting is to be held no later than 30 days prior to the end of the probationary period. If this meeting is not held, the last 30 days of the probationary period is waived. Periods of nonpay are not credited toward the completion of the required probationary period. Probationary employees are subject to all the provisions of the Articles of Agreement with the exception of grievance rights over service reviews and release from service during the probationary period.

The provisions of this supplement apply to all new employees and former employees who have been terminated for two years or more. A former employee who is reemployed within two years of termination who has satisfactorily completed a previous probationary period is not required to serve another probationary period.

SUPPLEMENTARY AGREEMENT 24

S–24 Affirmative Action

TVA and the EA jointly support a continuing Affirmative Action Program designed to provide full realization of equal opportunity in employment without regard to race, color, religion, sex, handicap, or national origin. It is further recognized and agreed that the achievement of affirmative action programs is a mutual objective of TVA and the EA.

EFFECTIVE SEPTEMBER 28, 2009

OT Threshold Details

When FLSA-exempt employees are temporarily placed on the inflexible schedule, the 2.5-hour threshold per work week applies to the following:

FLSA-exempt Flexible Schedule Employees Temporarily Placed on the Inflexible Schedule	**Reference**
Overtime Work	
> 40 hours per calendar week	S-4:J
> regularly scheduled shift hours (8-, 9-, 10-, or 12-hour shift) in any 24-hour period	S-4:J
> 40 hours OT in pay period	S-4:J
1st scheduled non-work day	S-4:J
Alternative Work Schedules	
•Threshold applies to hours not in the alternative work schedule design.	S-3:A-2 & S-4:J-3

OT Rates

OT rates for FLSA-exempt employees when temporarily placed on the Inflexible schedule:

FLSA-exempt Flexible Schedule Employees Temporarily Placed on the Inflexible Schedule	**Rate Paid**
Overtime Work	
> 40 hours per calendar week	1.0 OT
> regularly scheduled shift hours (8-, 9-, 10-, or 12-hour shift) in any 24-hour period	1.0 OT
> 16 hours in any 24-hour period	1.0 OT
> 40 hours OT in pay period	1.5 OT
2nd scheduled non-work day if 1st worked	1.5 OT
1st scheduled non-work day	1.0 OT
OT on holidays	1.0 OT
Alternative Work Schedules	
> Scheduled hours per calendar week	1.0 OT
> Scheduled (9/10/12) hrs/day	1.0 OT
> 16 hours in any 24-hour period	1.0 OT
> 40 hours OT in pay period	1.5 OT
2nd scheduled non-work day if 1st worked*	1.5 OT
1st scheduled non-work day	1.0 OT
8-Hours “built-in” OT on 12-Hour Schedule	1.0 OT

*All Alternative Work Schedules: All provisions for “twice the straight-time rate” for Pay for Work on Scheduled Off day are “one and one-half the straight-time rate”.
Overtime Threshold: If more than 7.5 overtime hours are worked in a workweek, the overtime threshold will not apply for that workweek, and all overtime worked is compensated at the appropriate rate.

Memorandum of Understanding
Between
Tennessee Valley Authority
and
Engineering Association, Inc.
Regarding
Annual Leave

Tennessee Valley Authority (TVA) and the Engineering Association, Inc. (EA) hereby agree that effective January 1, 1998, an employee may designate in writing one preferred week of annual leave at least four weeks in advance of the preferred leave week. Every attempt will be made to grant the preferred annual leave week.

Any nonrefundable deposits that are lost due to management subsequently canceling the approved preferred leave week will be reimbursed by TVA.

By: _____ 10/6/97
(Dated)
Peyton T. Hairston, Jr.
Senior Vice President
Labor Relations
Tennessee Valley Authority

By: _____ 12/15/97
(Dated)
LeRoy Beasley
Valley-Wide President
Engineering Association, Inc.

EApreferred leavemou.doc

The Memorandums of Understanding published in this book do not represent an exhaustive list of all valid and current agreements applying to EA-represented employees. All other Memorandums of Understanding applying to EA-represented employees remain valid through the effective dates contained therein.