

EPCOR Power Development Corporation  
EPCOR Centre  
10065 Jasper Avenue  
Edmonton, Alberta  
T5J 3B1

**RE: Keephills Unit 3 Power Plant Project**

The Local Unions signatory below and The Registered Employers' Organizations signatory below have agreed to the attached Memorandum of Understanding as a legally binding document to facilitate that CAPITAL WORKS set out in Schedule 1 of this letter will be undertaken pursuant to the provisions of the General and Specialty Construction Collective Agreements between the Local Unions and The Registered Employers' Organizations. Each of the signatories below confirms agreement to the attachments, Schedules 1 and 2, appended hereto.

It is further understood that work in respect to the CAPITAL WORKS relating to pre-assembly may be executed off-site. The Parties shall use their best efforts to seek to apply the appropriate terms of the General and Specialty Construction Collective Agreements and the attached Memorandum of Understanding to such off-site work, to the extent such work is carried on in Alberta.

Each of these collective agreements contains a prohibition against strikes or lockouts except as permitted under the Alberta Labour Relations Code (hereinafter referred to as "the Code"). Part 3, Division 6 of the Code sets out the mechanism by which a strike or lockout is permitted in the Construction Industry. In the event that a strike or lockout that was permitted under the Code did take place, the signatories to this letter agree not to initiate any strike or lockout affecting employees engaged on work relating to the CAPITAL WORKS.

In the event that EPCOR Power Development Corporation (hereinafter "EPDC"), at its discretion, apply pursuant to Part 3, Division 8 of the Code to have these CAPITAL WORKS designated pursuant to Section 196 of the Code and provided that under such designation the then existing terms of the Collective Agreements between the respective Local Unions and the Registered Employers' Organizations are designated as the Collective Agreement between the Principal Contractor and the affected Trade Unions, then the signatories to this letter will support such designation application.

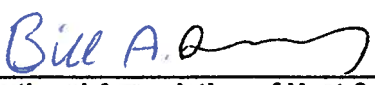
We would require confirmation by letter that the CAPITAL WORKS set out in Schedule 1 will be exclusively undertaken pursuant to the provisions of the General and Specialty Construction Collective Agreements between the respective Local Unions and The Registered Employers' Organizations' signatory hereto.

Signed by these Parties this 18<sup>TH</sup> day of APRIL, 2007

Per   
International Union of Operating Engineers,  
Local Union 955

Per:   
Construction Labour Relations - an Alberta Association  
Operating Engineers (Provincial) Trade Division

Signed by these Parties this 18<sup>TH</sup> day of APRIL, 2007

Per   
International Association of Heat & Frost,  
Insulators & Asbestos Workers, Local Union 110

Per:   
Construction Labour Relations - an Alberta Association  
Insulators (Provincial) Trade Division

Signed by these Parties this \_\_\_\_\_ day of \_\_\_\_\_, 2007

Per \_\_\_\_\_  
International Brotherhood of Boilermakers,  
Iron Ship Builders Blacksmiths, Forgers  
And Helpers, Lodge 146

Per: [Signature]  
Boilermaker Contractors' Association

Signed by these Parties this \_\_\_\_\_ day of \_\_\_\_\_, 2007

Per \_\_\_\_\_  
International Union of Bricklayers &  
Allied Craftworkers Local Union 1

Per: \_\_\_\_\_  
Masonry Contractors Association of Alberta

Signed by these Parties this \_\_\_\_\_ day of \_\_\_\_\_, 2007

Per \_\_\_\_\_  
International Union of Bricklayers &  
Allied Craftworkers Local Union 1

Per: [Signature]  
Construction Labour Relations - an Alberta Association  
Refractory Bricklayers (Provincial) Trade Division

Signed by these Parties this \_\_\_\_\_ day of \_\_\_\_\_, 2007

Per [Signature]  
United Brotherhood of Carpenters and Joiners  
Of America, Local Union 1325

Per: [Signature]  
Construction Labour Relations - an Alberta Association  
Carpenters (Provincial) Trade Division

Signed by these Parties this \_\_\_\_\_ day of \_\_\_\_\_, 2007

Per [Signature]  
Operative Plasters and Cement Masons  
International, Local Union 222

Per: [Signature]  
Construction Labour Relations - an Alberta Association  
Cement Masons (Provincial) Trade Division

Signed by these Parties this 8<sup>th</sup> day of January, 2007 or

Per [Signature]  
International Brotherhood of Electrical,  
Workers, Local Union 424

Per: [Signature]  
Electrical Contractors Association of Alberta

Signed by these Parties this 6 day of October, 2007 or

Per \_\_\_\_\_  
International Union of Elevator Constructors,  
Local Union 122

Per: [Signature]  
Construction Labour Relations - an Alberta Association  
Elevator Constructors (Provincial) Trade Division

Signed by these Parties this 20<sup>th</sup> day of April, 2007

Per [Signature]  
International Association of Bridge, Structural  
& Ornamental Ironworkers, Local Union 720

Per: [Signature]  
Construction Labour Relations - an Alberta Association  
Reinforcing Ironworkers (Provincial) Trade Division

Signed by these Parties this 20<sup>th</sup> day of April, 2007

Per   
International Association of Bridge, Structural  
& Ornamental Ironworkers, Local Union 720


Per:   
Construction Labour Relations – an Alberta Association  
Structural Ironworkers (Provincial) Trade Division

Signed by these Parties this \_\_\_\_\_ day of \_\_\_\_\_, 2007

Per   
Construction and General Workers Union  
, Local Union 92

Per:   
Construction Labour Relations – an Alberta Association  
Labourers (Provincial) Trade Division

Signed by these Parties this \_\_\_\_\_ day of \_\_\_\_\_, 2007

Per   
United Brotherhood of Carpenters and Joiners  
Of America, Local Union 1325

Per:   
Construction Labour Relations – an Alberta Association  
ISM/Lathers (Provincial) Trade Division

Signed by these Parties this 19 day of NOVEMBER, 2007

Per   
Millwrights, Machinery Erectors & Maintenance  
Union, Local Union 1450


Per:   
Construction Labour Relations – an Alberta Association  
Millwrights (Provincial) Trade Division

Signed by these Parties this 25 day of October, 2007

Per   
International Union of Painters and Allied  
Trades, Local Union 177

Per: \_\_\_\_\_  
Alberta Coating Contractors Association

Signed by these Parties this \_\_\_\_\_ day of \_\_\_\_\_, 2007

Per   
Operative Plasters and Cement Masons  
International, Local Union 222

Per: \_\_\_\_\_  
The Alberta Wall and Ceiling Bureau

Signed by these Parties this 20<sup>th</sup> day of MAY, 2007 or thereabouts

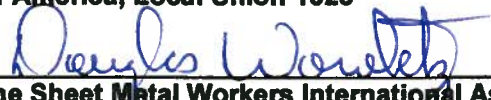
Per   
United Association of Journeymen and Apprentices  
Of the Plumbing and Pipefitting Industry of the  
United States and Canada, Local Union 488

Per:   
Construction Labour Relations – an Alberta Association  
Mechanical (Provincial) Trade Division

Signed by these Parties this \_\_\_\_\_ day of \_\_\_\_\_, 2007

Per   
United Brotherhood of Carpenters & Joiners  
Of America, Local Union 1325

Per:   
Construction Labour Relations - an Alberta Association  
Roofers (Provincial) Trade Division

Per   
The Sheet Metal Workers International Association  
Local Union 8


Per \_\_\_\_\_  
The Construction & General Workers  
Local Union 92

Signed by these Parties this 17 day of July, 2007

Per   
The Sheet Metal Workers International Association  
Local Union 8

Per:   
Construction Labour Relations - an Alberta Association  
Sheet Metal (Provincial) Trade Division

Signed by these Parties this 17 day of July, 2007

Per   
The Sheet Metal Workers International Association  
Local Union 8

Per:   
Construction Labour Relations - an Alberta Association  
Sheeters Deckers & Cladders (Provincial) Trade Division

Signed by these Parties this 26 day of OCTOBER, 2007

Per   
\_\_\_\_\_  
**The International Brotherhood of Teamsters  
Local Union 362**

Per: \_\_\_\_\_  
**Industrial Contractors Association of Alberta**

## **MEMORANDUM of UNDERSTANDING**

### **SCHEDULE 1**

**CAPITAL WORKS** are defined as the Construction, as that term is defined in the *Alberta Labour Relations Code*, of that portion of the Keephills Unit 3 Power Plant Construction Project within the plant site battery limits awarded under contract directly by EPDC to Contractors listed below, or to those subsequently added to the list ("Contractor(s)").

#### **Completion of Capital Works**

**CAPITAL WORKS** for this project will be deemed completed when in respect to the work or any portion of the work to be performed by a Contractor(s) has been completed, and/or EPDC has taken or assumed possession of such work or component portion. In the event construction is carried out by a Contractor on such Keephills Unit 3 Power Plant Construction Project work or component portion, after possession is taken or assumed by EPDC, then this letter and the attached Memorandum of Understanding shall apply to such construction work.

This Memorandum of Agreement shall be effective upon each participating Union and each Registered Employers Organization on the date the Union and corresponding REO sign this Agreement as signified on the signing page. This Memorandum shall remain in effect until the completion of the Capital works as defined in the paragraph above.

**Contractors Directly Under Contract to EPDC Respecting Keephills Unit 3 Power Plant Construction Project:**

## SCHEDULE 2

Because EPCOR Power Development Corporation ("EPDC"), intends to use Contractors to construct capital facilities as part of the Keephills Unit 3 Power Plant Construction Project near Edmonton, Alberta;

And Because this Memorandum of Understanding will provide a forum through which key stake holders including contractors, unionized labour and the construction project owner may address issues of mutual concerns;

And Because these terms are beneficial to all of the stake holders in terms of communication and working relationships;

**And Because it is the expressed intention of all the parties hereto that the execution of these terms in no way alters or amends existing collective agreement terms or conditions or derogates from the bargaining authority of each Employers' Organization, or any group of trade unions pursuant to a registration certificate or otherwise, nor does it in any way act as a surrender of any bargaining authority that any such group may hold.**

The Registered Employers' Organization and the Local Union have, for the reasons set out above, entered into this Memorandum of Understanding, as follows:

### Commitments by the Parties

The Parties Agree To:

Establish a method of resolving issues that the parties to, and the persons bound by, this Memorandum of Understanding are unable to quickly resolve;

Assist in the development, implementation and administration of initiatives towards the enhancement of quality, productivity, safety, cost and schedule;

Deal with such matters as are referred to it by the terms of this Memorandum of Understanding;

Establish a forum, or forums through which commitments will be fulfilled. Persons may be appointed by EPDC to participate fully in such forum or forums but will not be entitled to vote.

The parties shall provide for joint stewardship of key performance measures by labour and contractors including, without restricting the generality of the foregoing, safety, quality, cost, productivity and schedule.

The Parties agree that they shall deal with the below listed matters on the basis that they will consider each of the items and agree on programs, implementation and administration. Those matters are health and safety, site closures, pre job markups, training and optimization of the practical use of apprentices, and where appropriate, trainees.

The Parties agree that they will provide for the implementation of and administration of the program to minimize absenteeism and maximize retention, the commitments to increase productivity, the program of job steward/supervisor leadership, the program for delivery of training and skills upgrading, and to assist in recruitment.

The Parties agree to discuss matters of mutual interest pertaining to the construction project with the objective of promoting and maintaining beneficial relations and co-operation between the parties, and to discuss and implement ways to make the construction project successful.

The Parties agree to support and participate in value-added programs such as Behavioral Based Safety, semi-automatic and automatic welding technologies, and productivity enhancement programs.

The Parties agree to take all necessary measures to secure the availability of a suitably skilled supply of trades labour that will meet Alberta Journeyman qualification standards, to support the efficient execution of the construction work. Such measures shall include the importation of skilled trades labour from a Contractor's home facility, or other locations as needed, for the purposes of avoiding labour shortages. This shall be implemented where a labour shortage within the Alberta trades pool is predicted using a planning horizon of up to six months prior to requirement, or requirements are not available at time of a call for dispatch.

In the case of avoiding shortages through importation of labour such measures shall not result in a reduction in union jurisdiction on the site and imported workers shall be "permitted" through the respective union halls with associated payment of dues. In the case of providing imported labour for specific skills this shall include for training opportunities being provided to local trades labour employed directly on the site.

It is agreed that the parties will endeavour to develop and implement pro-active programs, in respect to work on the Project, encouraging employment of and / or entry into and continuation of apprenticeship and training programs for members of aboriginal communities and for local residents, and encouraging the employment of such persons with trade or occupational certificates.

### **Alcohol & Drug Policy**

It is understood that the Alcohol and Drug Policy contained in the Canadian Model for Providing a Safe Workplace shall be applicable on this project.

It is understood by the parties hereto that no bargaining relationship is created by EPDC with the Local Union, the Council, or any affiliate of the Council, by voluntary recognition or by action of law pursuant to Section 176 of the Alberta Labour Relations Code.

Similarly, where EPDC have participated in any way in the processes and administrative matters contemplated in this Memorandum of Understanding, it is only for the purposes of this document and the enhancement of the Project and in no way can be construed to be creating a bargaining relationship, extending a voluntary recognition or taking actions which, by action of law, would bind EPDC to any Collective Agreement with the Local Union, the Council, or any affiliate of the Council.