

PSEG Services Corporation
Human Resources – Labor Relations
80 Park Plaza, T10, Newark, N.J. 07102



March 8, 2019

Mr. Cornelius Wojcickowski
Business Manager
UA Local 855
261 East Main Street
Somerville, N.J. 08876-3008

Gas System Modernization Program II (GSMP II)

The following agreement supersedes the "Gas System Modernization Program (GSMP) and Required Programs" letter of agreement dated February 19, 2016.

This confirms the parties recognize the significance of work required to meet the objectives of the Gas System Modernization Program II (GSMP II). To that end, it is also recognized that meeting the objectives of the program will require the use of outside contractors and hiring of additional employees to assist in performing as much Gas Operations work with our internal workforce as reasonably possible.

The Company envisions UA Local 855 membership shall grow to 1,660 permanent employees by December 31, 2020. To that end, Gas Operations will endeavor to hire a combined total of 40 permanent 9322N Utility Mechanic Apprentices/9302M Service Mechanics 1st Class in 2019, and a combined total of 40 permanent 9322N Utility Mechanic Apprentices/9302M Service Mechanics 1st Class in 2020. Should it be determined that UA Local 855 membership of 1,660 will not be reached, the parties shall meet to discuss the status of the Company's hiring plans.

The Company commits to maintain a minimum headcount of 539 Service Specialists/Service Apprentices for the duration of this Agreement. In the event this Agreement is extended, these numbers may be modified based upon operating conditions.

Contractor Main and Service Installation Oversight

Due to immediate hiring needs, the Company and Union shall partner to attract up to twelve (12) retired Gas Operations employees that are qualified to perform work in the Street Inspector classification, specifically contractor main and service installation oversight, in the districts impacted by workload demands. These retirees shall be rehired under the terms and conditions of the "Rehiring of Retired Employees" letter of agreement dated July 28, 2016, and shall be considered temporary project employees. They shall be paid in accordance with the top pay step of the Street Inspector wage progression and shall be required to tender union dues to UA Local 855.

In the event the parties are unable to attract twelve (12) qualified retirees to perform Street Inspector work, the Company may enlist engineering consultants to supplement this group, not to exceed twelve (12) in total between the rehired retirees and engineering consultants. The employers of such engineering consultants will be required to become signatory to UA L855's Collective Bargaining Agreement, and maintain wages, benefits and conditions equal to, or better than, those in UA Local 855's current Agreement with the Utility. These engineering consultants shall be required to tender union dues to UA Local 855.

Additionally, effective the date of this agreement, current Street Inspectors and employees that are subsequently promoted to Street Inspector in the districts in which rehired retirees and/or engineering consultants are engaged to perform Street Inspector work, shall be immediately, and temporarily, advanced to the top pay step of the Street Inspector wage progression. However, once all rehired retirees and engineering consultants are released from a district, Street Inspectors in that district that were advanced in pay as a result of this agreement shall be immediately returned to the wage progression step they otherwise would have advanced to during this time in accordance with Schedule "A" of the Collective Bargaining Agreement. The Union will be advised when Gas Operations is going to issue Temporary Letters in the districts during the duration of this agreement.

The use of retired Gas Operation employees and/or Engineering Consultants shall discontinue effective December 31, 2019, and shall not be extended.

General

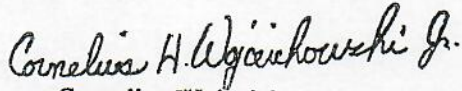
The Company commits to maintain a minimum of two welder positions per district until April 30, 2021.

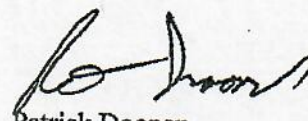
The Company endeavors to utilize UA Local 855 represented employees to perform geolocation tasks.

It is the intentions of the parties to work together to implement this Agreement and to resolve any unforeseen problems. The parties agree to meet and discuss any issues that may arise as a result of this agreement.

Unless otherwise specified, this agreement does not supersede any other terms of the Collective Bargaining Agreement.

This agreement shall remain in place through April 30, 2021. Following the expiration of this agreement, it is understood that Gas Operations headcount shall attrite to 1,580 unless the parties agree to extend this agreement.


Cornelius Wojciechowski
Business Manager
U.A. Local 855


Patrick Doonan
Labor Relations Manager