

Memorandum of Understanding

Crystal River Maintenance Organization

This Memorandum of Understanding (Memorandum) is agreed to by and between Progress Energy Florida (Company) and the IBEW System Council U-8 (Union). The Crystal River Maintenance Organization (CRMO) shall remain in effect and amends Item 130 of the 2005 Memorandum of Changes for Crystal River (CR) as set out below. Unless specifically addressed below all other terms of Item 130 and the 2008 – 2011 Memorandum of Agreement remain in force and effect.

- 1) The Company shall reestablish the separate reporting headquarters of CR 1/2, CR 4/5 and the Coal Yard (CRMO Reporting Headquarters).
- 2) The current Memorandum of Understanding, effective 4/15/2008, for the Clean Air Project (CAP) is not modified by this Memorandum. The CAP will continue to be its own separate reporting headquarters.
- 3) This Memorandum does not amend or revise Item 41 from the 1991 MOC, or Exhibit H from the 2008 negotiations, for the CRMO site.
- 4) On a one-time basis, employees currently assigned to the CRMO shall pick the CRMO Reporting Headquarters of their choice, by seniority. Management shall determine and provide to the CRMO employees, the crew make-up of each shop at each CRMO Reporting Headquarters prior to the selection date. The selection date(s) will be mutually agreed to by the parties. CRMO employees shall provide to Management a preference selection of a 1st, 2nd and/or 3rd choice, up to a maximum of three (3) choices. Employees who are absent for any reason during the selection period will provide their selection(s) to

the Union for processing during the period agreed to by the parties. Employees who fail to provide their selections, or for whom no preference selection is available, will be assigned to a reporting headquarters by Management.

- 5) After this one-time selection by seniority, identified in #4 above, all future vacancies at each CRMO Reporting Headquarters will be filled by using the posting and bidding process in accordance with the Memorandum of Agreement for each reporting headquarters.
- 6) The three separate CRMO Reporting Headquarters shall have their own overtime list and vacation schedule.
- 7) When Management determines additional resources are needed or determines to fill a vacancy at one or more of the CRMO Reporting Headquarters, employees may be sent to work at another CRMO Reporting Headquarters while on straight time hours, which includes employees who are on overtime as a result of filling a vacant shift at their own CRMO Reporting Headquarters. In the event the additional resource(s) sent receives an upgrade to Chief or Master, the senior person at the sending headquarters will also receive the upgrade.
- 8) When Management determines that overtime is required at one or more of the CRMO Reporting Headquarters, the overtime list for that reporting headquarters shall be used first. If not enough employees accept or respond to the required overtime assignment(s), Management may then use the combined CRMO overtime list.
- 9) The designation of NS, SM and/or SH shall not be a limiting factor in the filling of a vacant shift, whether on straight-time or overtime, or in the reassignment of additional resources as identified in #7 above.

10) At each CRMO Reporting Headquarters, the order for prearranged overtime or callout for overtime shall be as follows:

- a. Regular employees from the reporting headquarters
- b. Temporary employees from the reporting headquarters
- c. Regular employees on the CRMO master list from other reporting headquarters
- d. Temporary employees on the CRMO master list from other reporting headquarters
- e. Regular employees from the CAP reporting headquarters
- f. Temporary employees from the CAP reporting headquarters
- g. Regular employees from the System Maintenance Crew (SMC)
- h. Temporary employees from the SMC
- i. Any other resources

Note: It shall not be a violation of this MOU for Management, at its discretion, to by-pass Temporary employees for overtime on a call-out for overtime.

11) Employees who have been called out to respond to emergent work at any one of the CRMO Reporting Headquarters, and who are on site, will not be required to respond to additional emergent work at any of the other CRMO Reporting Headquarters unless a call-out is performed at that other CRMO Reporting Headquarters to respond to the additional emergent work. Employees may be held over until such time as these resources have reported to work in response to the call-out.

12) When upgrade to the Chief and/or Master position is required to fill a vacant position in compliance with Article III, Section 12 (F) of the MOA, the upgrade shall only be offered

to the senior qualified employee(s) assigned to that respective CRMO Reporting Headquarters.

- 13) The parties agree that either party may opt-out of this Memorandum of Understanding, and revert to the terms of Item 130 of the 2005 MOC, for any reason, on the following dates: January 4, 2010 and January 3, 2011, with at least a 60-day advance notification in writing to the following representative of the other party: the Business Manager of System Council U-8 and the Plant Manager of Crystal River fossil plants.
- 14) The parties further agree this Memorandum will have no force and effect upon the expiration of the 2008-2011 MOA, or ratification of a new Memorandum of Agreement, whichever date is later, unless mutually agreed to by the parties, in writing. Absent such mutual written agreement, the parties shall revert to the original language of Item 130 of the 2005 MOC, or as modified by the parties in the 2011 negotiations.

For the Company:

Larry E. Hatch 8/21/09
Date

For the Union:

Joseph L. Adams 8/21/09
Date