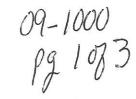
Leader Selection Process Letter of Understanding Between PPL Electric Utilities and IBEW Local 1600



This Letter of Understanding between PPL and IBEW Local 1600 embodies the understanding among the parties regarding the process for selecting employees for the position of Lineman Leader, Electrician Leader and Mechanic Leader in Electric Utilities.

The process for selecting employees for the position of Lineman Leader, Electrician Leader or Mechanic Leader in Electric Utilities will begin by canvassing employees by progression line in the following job titles:

- Journeyman Lineman
- Troubleman
- Journeyman Electrician (Substation, Network, Underground)
- Journeyman Mechanic

The parties will jointly establish the Leader pool by roster location. Existing Troublemen and Journeymen in the applicable progression lines will be canvassed for interest on an annual basis during the first quarter of the year. Those employees who decline the opportunity will be denied another opportunity to enter the pool until the next annual canvass. Employees who satisfactorily held a temporary Leader position for six months or more since July 2004 will automatically be included in the pool unless they specifically decline the opportunity.

Once the pool is established, employees in the pool will be provided with leadership training from a curriculum jointly established by management and union leadership.

- After completion of all required training, a documented evaluation will be performed, based on in class performance and demonstrated leadership qualities.
- Successful completion of all the training modules and good performance in the class with a recommendation of "Ready" or "Needs Development" from the instructor is required to remain in the pool.
- If an employee is unsuccessful in completing the leadership training by receiving an evaluation of "Not Ready", they will be removed from the pool until the next canvass and restricted from taking the

leadership training for one year. If an employee receives an evaluation of "Not Ready" the 2nd time they take the leadership training, they will again be removed from the pool. Future consideration to enter the pool, after a second "Not Ready" evaluation, will be determined jointly by the Company and union leadership, and only if the employee has demonstrated that they have made efforts to improve their skills.

When the need arises to fill a leader position at a particular roster location, the position will be offered to employees from the pool, system-wide. Selection of the successful candidate to fill the Leader position will be by job rank order, however, employees who receive a recommendation of "Ready" will be considered ahead of employees who receive a recommendation of "Needs Development". If a situation arises where a more senior employee who received a recommendation of "Needs Development" is interested in the Leader vacancy, they will be offered the opportunity to re-take the leadership training and be re-evaluated to see if they have improved their skills to the "Ready" level. The Leader position will be filled on a temporary basis during the time required for the more senior employee to re-take the training and be re-evaluated to demonstrate that they have improved their skills.

A more senior non-pool Troubleman or Journeyman, who applied for entry in the leader pool in a previous canvas but was not given the opportunity to enter the process, will be offered the position and given the opportunity to complete the leadership training, however the employee must receive a recommendation of "Ready" during the leadership training to remain in the Leader position unless there are no other employees in the pool who received a recommendation of "Ready".

Employees in the pool who are promoted to a Leader position will be placed on a 6 month probationary period, after reporting to the Leader position, with periodic, documented performance evaluations. Extension of the employee's 6 month probationary period in order to complete the leadership training may be agreed to jointly by the Company and union leadership. Involuntary demotions during the probationary period will be discussed with Local 1600 prior to making the decision to demote. If an involuntary demotion occurs, any resultant grievance will be taken directly to the third step of the grievance procedure.

Temporary leader needs will be filled from the roster location. An individual assignment for a temporary Leader will be no shorter than one pay period.

Rostered pool members will have first preference for temporary Leader openings by job rank. Temporary leader needs filled for substitution purposes may be filled out of job rank order with pool members who are rated "Needs Improvement" to allow employees an opportunity to improve their skills where needed.

This Letter of Understanding will be incorporated into the existing Labor Agreement and shall remain in effect through the next negotiated Labor Agreement; however an annual review of the process will be conducted by the parties no later than July 31st of each year this Letter of Understanding is in effect. Any changes to this Letter of Understanding must be mutually agreed to by the parties.

The parties agree that the terms of this Letter of Understanding will not prejudice either party's position in the future and may not be cited as precedent in any future proceedings except to enforce the terms of this Letter of Understanding.

PPL

9-21-09

Date