



DUKE ENERGY CORPORATION
139 East Fourth St.
PO Box 960
Cincinnati, OH 45201-0960

August 22, 2006

Mr. Steve Feldhaus
Business Manager
Local Union 1347
International Brotherhood of
Electrical Workers, AFL-CIO
4100 Colerain Avenue
Cincinnati, Ohio 45223

Re: Certified Welders

Dear Mr. Feldhaus:

During the 2006 negotiation meetings, representatives of the Company and the Union discussed the use of Certified Welders.

During these discussions, the parties agreed that during the term of the 2006 – 2009 Agreement, the following agreement will be in effect pertaining to Certified Welders:

1. There will be two classifications of Certified Welders assigned to the plants.
 - a) 2-Star Certified Welders must maintain certification in at least the following two procedures:
 - i) WQT 005
 - ii) WQT 006
 - b) 4-Star Certified Welders must maintain certification in the 2-Star procedures and at least the following two procedures:
 - iii) WQT 007
 - iv) WQT 001
2. Management solely determines the number of 2-Star and 4-Star Certified Welders at each location and reserves the right to change the certifications and procedures required in these classifications.
3. The selection of Certified Welders within a department will be as follows:

4-Star Certified Welders

The first order of selection will be based on the classified seniority of those employees who previously possessed all 4-Star certifications. The second order

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of selection will be based on the classified seniority of those employees who have completed the advanced mechanical discipline.

2-Star Certified Welders

The first order of selection will be based on the classified seniority of those employees who previously possessed both 2-Star certifications. The second order of selection will be based on the classified seniority of those employees who have completed the advanced mechanical discipline.

4. 4-Star Certified Welders will be paid \$1.00 above the Maintenance Services Team Member top rate of pay.
5. 2-Star Certified Welders will be paid \$0.75 above the Maintenance Services Team Member top rate of pay.

It is thought that the above accurately describes the agreement reached by the parties pertaining to Certified Welders.

Sincerely,



Jay R. Alvaro
Managing Director
Labor Relations