EDUCATION ASSISTANCE PROGRAM

FOR

EMPLOYEES REPRESENTED

BY

THE UNITED GAS WORKERS' UNION, LOCAL 69,

UWUA, AFL-CIO

INTRODUCTION

Hope Gas, Inc. (collectively, the "Company") value the knowledge, skills, and talents necessary to develop our employees, accomplish our business goals, and to continue as a quality and competitive company. The Education Assistance Program is designed to help you increase your effectiveness in your current job and prepare you for greater responsibility within the Company.

Working with Human Resources, your management is responsible for determining that the course is of mutual benefit to you and the Company. Management will consider such factors as how related the course work is to your job or profession and whether the program of study will provide you with the knowledge or skills that would help you in your current or future work with the Company. The courses must not conflict with your normal work schedule.

Benefits described in this document are current as of the date indicated at the bottom of the page. The Company may subsequently provide additional materials that supplement, update or amend the SPD that will provide you with information regarding changes to your benefits.

Please see the "Additional Information" Summary Plan Description document for details on other rights pertaining to your participation in the Company's Benefit Plans in general. However, please note that the Education Assistance Program is not subject to the requirements of ERISA and other legal requirements outlined in the "Additional Information" section.

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ELIGIBILITY

Regular full-time employees of Hope Gas who are represented by The United Gas Workers' Union Local 69, UWUA, AFL-CIO are eligible for the Education Assistance Program.

Eligibility will begin on your first day of work with Hope Gas. The Education Assistance Program covers only those expenses for courses in which you enroll after you become eligible for the program.

REIMBURSEMENT INFORMATION

The program reimburses 100% of eligible education expenses up to a maximum of $7,500 per calendar year (January 1 to December 31). Up to $5,250 per year will be reimbursed on a pre-tax basis. Any reimbursements over $5,250 will be taxable to you. The program does not provide for reimbursement of a class that you have not paid for, for example, with student grants or by deferring fees.

The Education Assistance Program requires that:

- Courses be taught by an *accredited* college, university or school listed in the publication titled "Accredited Institutions of Post-Secondary Education";
- You complete the course(s) with the following grade:
    - A, B, or C (including minuses) for General Educational Development (GED) and undergraduate courses; or A or B (including minuses) for graduate and doctorate level courses; or
    - A grade of "pass" for courses graded on a pass/fail basis;
- You submit a receipt of payment for tuition, fees and textbooks;
- You submit an *Education Assistance Application & Service Repayment Agreement* form within a maximum of six months from the date that you complete the course(s); and
- Both you and an approver sign and date the *Education Assistance Application & Service Repayment Agreement* form.

WHAT THE PROGRAM COVERS

The Education Assistance Program provides reimbursement for approved courses that are part of the following programs:

- General Educational Development (GED);
- Undergraduate courses (includes associate's degree (2-year program) and bachelor's degree (4-year program);
- Graduate courses (includes master's degree); and
- Doctorate level programs (requires written approval from the appropriate group vice president prior to enrollment in course work).

The program provides reimbursement to any and all courses taken that will lead to a degree, diploma or GED certificate that are of mutual benefit to the employee and Hope Gas. The program also applies to single courses that are job related. This includes, but is not limited to: online courses, accelerated courses, executive MBA courses and fast track educational programs.

Items eligible for reimbursement include:

- Tuition;
- Required textbooks, including text materials purchased on a CD-ROM format. There is one reimbursement per textbook, even if the text is used for multiple classes; and
- All course related fees including:
  - Application/registration fees;
  - Activity fees/general fees;
  - Transcript fees/auxiliary fees;
  - Lab fees/technology fees;
  - Software fees associated with software considered textbook or course material;
  - Library fees;
  - Facility fees;
  - Health fees; and
  - Student ID card (but not replacement cards).

Prior to enrolling in a class, verbal approval from your immediate supervisor/manager is required to determine if the course(s) is beneficial for you and Hope Gas. For a doctoral program course, written approval from Human Resources and the VP of the division is required prior to enrollment.

If you are uncertain as to whether a course will be eligible for reimbursement under the Program, please contact Human Resources.

WHAT THE PROGRAM DOES NOT COVER

The following are specifically excluded from reimbursement under the Education Assistance Program. This list is not all-inclusive.

Course Related Items

- Professional certification courses that are not granted college credit by an accredited institution;
- Seminars or courses which earn continuing education units;
- Preparatory courses (e.g. real estate or CPA);
- Dale Carnegie courses;
- Courses taken on an audit basis; and
- Tuition and related costs for credits granted in the absence of the completion of course work, such as credits awarded for “life experience”.

Fee Related Items

- Installment fees;
- Entrance exam fees;
- Deferment fees;
- License fees;
- Graduation, cap and gown fees, etc.;
- Athletic fees; and
- Any fees not required by an institution to take a class.

Other Related Items

- Equipment or tools (e.g., calculator) that you retain following completion of the course;
- Lodging, parking, transportation, fuel recovery charge;
- Graduate program entrance examinations;
- Interest/finance charges, late fees;
- Replacement student ID cards;
- Postage, shipping and handling charges;
- Computer software systems or other software not considered textbook material;
- Computer and other computer hardware items; and
- Other costs not consistent with the purpose of the program

APPLICATION PROCESSING

After completing the course, you must complete an *Education Assistance Application & Service/Repayment Agreement*. The Education Assistance Application can be obtained through Human Resources.

Send the following to payroll for processing:

- The original *Education Assistance Application & Service/Repayment Agreement* form with your signature and the signature of your immediate supervisor/manager;
- Your official grade report; NOTE: due to the time constraint of obtaining official grade reports to meet end of year payroll deadlines for same year reimbursement, an email or letter on school letterhead from your professor will be accepted as confirmation of completion of the course and the pending grade for coursework that concludes in proximity to year end.
- A paid receipt and detailed billing statement from the educational institution to include charges and payments for tuition and eligible fees is required. The statement is requested to determine whether the applicant has received any grants, discounts, GI Bill or scholarships;
- A paid receipt and detailed billing statement from the educational institution for covered fees; and
- A paid receipt and detailed billing statement for each textbook and/or software purchase to include the applicant's information, title of each textbook and/or software, cost of each item and payment by the employee is required. The statement is requested to determine eligible expenses for reimbursement. Shipping and Handling and Postage are not eligible expenses for reimbursement.

If you have any questions, please contact payroll or submit an inquiry through HR Request Form.

REIMBURSEMENT

Hope Gas reimburses you for approved courses up to a maximum of $7,500 per calendar year (January 1 to December 31). If any portion of the $7,500 limit is not used, it will not carry over to the next calendar year. Reimbursements of more than $5,250 in a calendar year are treated as taxable income and subject to the applicable payroll tax reporting and withholding rules.

Reimbursements for classes are applied to the calendar year maximum for the year in which the reimbursement is paid. Please note that expenses associated with a single course can only be submitted for reimbursement in a single year (for example, if you have submitted expenses for a class to be reimbursed in the current year, you cannot submit additional

expenses for that same class to be reimbursed the following year).

Once the *Education Assistance Application & Service/Repayment Agreement* form is received, reimbursements will be processed as soon as administratively feasible.

If you receive other funds for reimbursement, such as through G.I. Bill programs, veterans' benefits, scholarships, grants, etc., Hope Gas pays you the amount it would have paid for the course less the amount of other funds received.

You will have a maximum of six months from the date that you complete the course(s) to submit an *Education Assistance Application & Service/Repayment Agreement* form, along with required documentation, for reimbursement.

Reimbursement are made through your paycheck.

Reimbursements under special situations

Severance

If you are enrolled in a course that has been approved for coverage under the Education Assistance Program and your employment is severed under circumstances that make you eligible for benefits under the Hope Gas Severance Program, you are eligible to receive reimbursement if the course started prior to the beginning of the two-month advance notice period. Once advance written notice of the severance has been provided, no new courses are approved. If your employment is involuntarily terminated under any other circumstances, you will receive no further reimbursement from the Plan even if the course was previously approved.

Service/Repayment Agreement

If you voluntarily terminate employment with Hope Gas, you are obligated to reimburse Hope Gas an amount equal to the total payments made to you under the Hope Gas Education Assistance Program during the 12 months immediately prior to your termination. Repayment must be completed within a reasonable timeframe, within no longer than a 12-month period following termination, to avoid recurring tax and accounting processing for each year in which an outstanding balance is carried forward.

The service/repayment guideline applies to all degree programs, or ongoing programs of study, as well as for single courses taken by an employee. For purposes of this policy, the date of the last reimbursement will be considered the date reimbursement was paid out. Repayment is not required if the following events occur within the 12-month period: retirement, death, or disability.