

APPENDIX G

LONG TERM DISABILITY BENEFIT AGREEMENT

BETWEEN
SOUTHERN CALIFORNIA GAS COMPANY
AND
UTILITY WORKERS UNION OF AMERICA, AFL-CIO
INTERNATIONAL CHEMICAL WORKERS UNION COUNCIL,
UFCW, AFL-CIO

March 1, 2012

LONG TERM DISABILITY BENEFIT AGREEMENT

This Agreement, made and entered into at Los Angeles, California, as of this first day of **March, 2012**, by and between Southern California Gas Company, a California corporation, with its principal place of business at 555 West Fifth Street, in said City and State, party of the first part, hereinafter referred to as the "Company" and the Utility Workers Union of America, AFL-CIO, and International Chemical Workers Union Council, UFCW, AFL-CIO, parties of the second part, hereinafter referred to as the "Union".

WITNESSETH:

That it is the intent and purpose of the parties hereto to incorporate herein the provisions of the Company's Long Term Disability Benefit Plan, hereinafter referred to as the "LTD Plan," and that this Agreement, arrived at through the process of collective bargaining in the manner provided by law, represents the determination of all issues pertaining directly or indirectly to the subject of pension benefits for employees covered by this Agreement and sets forth herein the agreement relating to such benefits to be observed between the parties hereto and that said parties to this Agreement, acting through their respective duly authorized representatives, promise and agree as follows:

Article I - Scope

The provisions of this Agreement shall apply to all employees who are covered by that certain Agreement between the parties hereto dated **March 1, 2012**, covering rates of pay, hours of work, and conditions of employment, or by said Agreement as it may be subsequently modified, or by any superseding agreement.

Article II – Long Term Disability Benefit Plan

The provisions of the LTD Plan, Amended as of March 1, 2009, which is included herein as Exhibit A and made a part hereof by reference, shall be applicable during the term of this Agreement without revision, except as provided under Article III herein, to all employees who are covered by this Agreement.

Long term disability benefits were previously described in the Southern California Gas Company Statement of the Life Insurance, Disability Benefit, and Pension Plans. Exhibit A is an amendment and restatement of the LTD Plan document. The LTD Benefit Plan was removed from Appendix D and is now described in this separate Appendix G to the collective bargaining Agreement dated **March 1, 2012**.

The amended and restated LTD Plan has been reorganized with articles and subsections for easier reference and table of content lookup. It incorporates current practice and administration of LTD benefits and changes related to the negotiated benefit enhancements for participants under the plan.

Article III - Modification

Should the Department of Labor or the Internal Revenue Service of the United States, or any other agency, board, commission, or bureau having jurisdiction over such matters, disapprove or require any changes in the provisions of this Agreement, or should any law require such changes, the parties hereto agree to negotiate appropriate modifications of this Agreement, limited to those changes needed to meet the minimum requirements of the law. The Company retains the right to modify the Plans for retirees and for employees to whom this Agreement does not apply under Article I herein.

Article IV - Term

This Agreement shall be effective from March 1, **2012** to and including September 30, **2015**.

EXHIBIT A

SOUTHERN CALIFORNIA GAS COMPANY LONG TERM DISABILITY PLAN

Table of Contents

ARTICLE 1	PURPOSE.....	1
ARTICLE 2	PLAN EFFECTIVE DATE	1
ARTICLE 3	DEFINITIONS.....	1
3.01	Accrual Date	1
3.02	Actively at Work.....	1
3.03	Active Full-Time Employee	2
3.04	Annual Enrollment Period	2
3.05	Child[ren].....	2
3.06	Continuous Service	2
3.07	Current Disability Earnings	2
3.08	Deductible Sources of Income	2
3.09	Disability	2
3.10	Doctor	3
3.11	Eligible Employee.....	3
3.12	Eligibility Period.....	3
3.13	Elimination Period and Elimination Period Option	3
3.14	Employee	4
3.15	Employer.....	4
3.16	ERISA	4
3.17	Gainful Employment.....	4
3.18	Illness	4
3.19	Injury.....	4
3.20	LTD.....	4
3.21	Maximum Duration of Benefits	4
3.22	Mental Illness.....	4
3.23	Monthly Benefit	4
3.24	Normal Retirement Date	4
3.25	Outside Employment	4
3.26	Participant	4
3.27	Period of Disability.....	5
3.28	Permanent and Stationary	5
3.29	Plan	5
3.30	Plan Administrator	5
3.31	Plan Year.....	5
3.32	Pre-Disability Earnings.....	5
3.33	Recurrent Disability	5
3.34	Regular Care of a Doctor	5

3.35	Regular Occupation	5
3.36	Sempra Energy Controlled Group	5
3.37	Spouse	5
3.38	Straight-Time Wage Rate	5
3.39	Third Medical Opinion	6
3.40	Union.....	6
3.41	Vocational Assessment	6
3.42	Vocationally Feasible.....	6
3.43	Vocational Rehabilitation	6
ARTICLE 4	ELIGIBILITY, ENROLLMENT AND COVERAGE	6
4.01	Participation; Effective Date of Coverage	6
4.02	Electing an Elimination Period	7
4.03	Deferred Effective Date	7
4.04	Participation Upon Reemployment.....	7
ARTICLE 5	CONTRIBUTIONS AND FUNDING.....	8
5.01	Premium Amounts	8
5.02	Contributions.....	8
5.03	Payment of Premium During a Disability.....	8
5.04	Funding	9
ARTICLE 6	TERMINATION AND MAINTENANCE OF COVERAGE.....	9
6.01	Termination of Coverage	9
6.02	Continuation of Coverage During an Approved Personal Leave of Absence and FMLA Leave	9
ARTICLE 7	QUALIFICATION FOR AND CALCULATION OF DISABILITY BENEFITS	9
7.01	Qualification For Benefits; Completion of Elimination Period and Exhaustion of Sickness Allowance.....	9
7.02	Excluded Disabilities	10
7.03	Delay in the Start of Benefits; Suspension of Benefits.....	10
7.04	Returning to Work During the Elimination Period.....	11
7.05	Effect of Recurrent Disability	11
7.06	Accrual and Payment of Monthly Benefit	12
7.07	Calculation of Monthly Benefits.....	12
7.08	Minimum Disability Income Target	12
7.09	Maintaining Benefits/Medical Examinations	13
7.10	Continuation of Benefits after Plan Termination.....	13
7.11	Coordinating Benefits with Deductible Sources of Income	13
7.12	Facility of Payment	15
ARTICLE 8	DURATION OF BENEFITS	16
8.01	Maximum Duration of Benefits	16
8.02	Return to Regular Occupation on a Restricted Basis.....	16

8.03	Maximum Duration of Benefits Where Participant Is Unable to Perform Regular Occupation but Is Qualified for Other Gainful Employment.....	16
8.04	Termination of Monthly Benefits	17
8.05	Effect of Termination of Monthly Benefits on Employment.....	18
ARTICLE 9	OUTSIDE EMPLOYMENT DURING DISABILITY PERIOD	18
9.01	Part-Time Outside Employment	18
9.02	Full-Time Outside Employment; Lump-Sum Partial Disability Subsidy.....	19
ARTICLE 10	VOCATIONAL ASSESSMENT, JOB SEARCHES AND VOCATIONAL REHABILITATION	19
10.01	Vocational Assessment	19
10.02	Availability for Job Interviews; Offer of Other Employment with the Employer if Participant Is Vocationally Feasible	19
10.03	Vocational Rehabilitation	20
ARTICLE 11	ADMINISTRATION	20
11.01	Plan Administrator	20
ARTICLE 12	PLAN AMENDMENT AND TERMINATION.....	22
12.01	Amendments	22
12.02	Right to Terminate	22
ARTICLE 13	CLAIMS PROCEDURE AND PAYMENT OF BENEFITS.....	22
13.01	Claims Procedure Definitions	22
13.02	Initial Determination of Qualification for Benefits	23
13.03	Physical Examination/Medical Evaluation During Review of Claim	24
13.04	Timing of Notification of Benefits Determination	24
13.05	Calculating Time Periods.....	25
13.06	Manner and Content of Notification	25
13.07	Appeal of Adverse Benefit Determination	26
13.08	Calculating Time Periods.....	26
ARTICLE 14	MISCELLANEOUS	27
14.01	Non-Guarantee of Employment.....	27
14.02	Applicable Law	27
14.03	Assignment	27
14.04	Misrepresentation or Fraud	27
14.05	Legal Action.....	27
14.06	Governing Instrument	28
14.07	Savings Clause	28
ATTACHMENT A	29
ATTACHMENT B	30

EXHIBIT A

Southern California Gas Company Long Term Disability Plan

Restated as of March 1, 2012

ARTICLE 1

PURPOSE

This Southern California Gas Company Long Term Disability Plan provides Participants with financial protection by paying a portion of a Participant's income if a Participant has a Disability covered by this Plan.

ARTICLE 2

PLAN EFFECTIVE DATE

This Plan was originally effective September 1, 1932, and is amended and restated effective March 1, 2012.

Any Disability that arises before this Plan Effective Date shall be governed by the Disability plan terms in effect on the date of the Disability. Certain historical information is included in Attachments A and B.

ARTICLE 3

DEFINITIONS

Whenever the following capitalized terms are used in this Plan, they shall have the meaning specified below:

3.01 Accrual Date. The date that a Participant's Monthly Benefit first becomes payable under Section 7.06.

3.02 Actively at Work. A Participant shall be considered to be Actively at Work with the Employer on a day which is one of the Employer's scheduled work days, if the Participant is performing, in the usual way, all of the regular duties of the Participant's job on a full time basis on that day. The Participant will be deemed to be Actively at Work on a day which is not one of the Employer's scheduled work days for the Participant, for example, one of the Participant's vacation days, only if the Participant was Actively at Work on the Participant's preceding scheduled work day.

3.03 Active Full-Time Employee. An Employee who is regularly scheduled and working at least 40 hours per week for the Employer.

3.04 Annual Enrollment Period. A period specified by the Employer before the start of each Plan Year, during which Eligible Employees may elect to participate in the Employer's Flexible Benefits Plan and the programs offered thereunder, including this Plan, for that Plan Year.

3.05 Child[ren]. A Participant's son or daughter under the age of 25 who is dependent on the Participant for financial support.

3.06 Continuous Service. A period of continuous employment with the Employer or any member of the Sempra Energy Controlled Group. An Employee will not be credited for Continuous Service while on layoff status. An Employee will be credited for Continuous Service while on the following types of leave:

- (1) Approved personal leave for 30 days or less;
- (2) Absence by reason of service in the uniformed services;
- (3) Family care leave; or
- (4) Union leave.

The Plan Administrator has discretion to determine whether an Employee's leave is approved for these purposes.

3.07 Current Disability Earnings. The monthly earnings a Participant receives while eligible for benefits under this Plan for any work while under a Disability.

3.08 Deductible Sources of Income. Income from particular sources, listed in Section 7.11, which a Participant receives, or is eligible to receive, while under a Disability and which reduces the Participant's benefit under this Plan, so that the sum of the Participant's Monthly Benefit plus the amount of the Deductible Sources of Income is equal to 60% of the Participant's Pre-Disability Earnings.

The amount of Deductible Sources of Income shall not include the portion, if any, of any retirement benefits funded by the Participant's after-tax contributions.

3.09 Disability. A physical or mental illness or injury which renders the Employee incapable of performing the material duties of any Gainful Employment for which the Employee is qualified by training, education or experience, or can become qualified through vocational training, education or Employer programs; provided that Disability shall also mean a physical or mental illness or injury which renders the Employee unable to perform the duties of such Employee's Regular Occupation for the time period specified in Section 8.01 **or Section 8.03** of the Plan, **as applicable**.

The loss of a professional or occupational license or certification does not in itself constitute a Disability.

3.10 Doctor. A Person:

(1) Performing tasks that are within the limits of his or her medical license, who is licensed to practice medicine and prescribe and administer drugs, or to perform surgery; or

(2) With a doctoral degree in Psychology (PhD or Psy.D), whose primary practice is treating patients; or

(3) Who is a legally qualified medical practitioner according to the laws and regulations of the governing jurisdiction.

The Participant, the Participant's Spouse, Child/ren, parents, and siblings are not recognized as qualified Doctors for a claim that a Participant submits under this Plan.

3.11 Eligible Employee. An Employee of Southern California Gas Company who is an Active Full-Time Employee, who is covered by a collective bargaining agreement between the Employer and employee representatives providing for eligibility under this Plan and who has completed the Eligibility Period.

3.12 Eligibility Period. The twelve (12) month period of Continuous Service that an Employee must complete prior to becoming covered by this Plan.

3.13 Elimination Period and Elimination Period Option. The Elimination Period is the period during which a Participant must suffer continuously from a Disability, subject to Section 7.04, before benefits under this Plan become payable. There are two different "Options" for the length of the Elimination Period. A Participant may choose an Elimination Period Option during initial enrollment and during the Annual Enrollment Period as provided in Article 4. The length of the various Elimination Period Options are as follows:

(1) Elimination Period Option 1 ends the later of: (a) the last day of the first 60 consecutive days of any one Period of Disability; or (b) the day the Participant exhausts all of the following: (i) all of his or her short-term annual accrued sick leave, (ii) 50% of his or her extended-term paid sickness leave, (iii) any extensions of such extended-term paid sickness leave due to integration with state disability insurance **and/or workers'** compensation (if any), and (iv) the remainder of his or her extended-term paid sickness leave and his or her vacation allowance to the extent use of such allowance is requested by the Participant pursuant to procedures established by the Employer.

(2) Elimination Period Option 2 ends the later of: (a) the last day of the first 28 consecutive days of any one Period of Disability; or (b) the day the Participant exhausts all of the following: (i) all of his or her short-term annual accrued sick leave, (ii) 50% of his or her extended-term paid sickness leave, (iii) any extensions of such extended-term paid sickness leave due to integration with state disability insurance **and/or workers'** compensation (if any), and (iv) the remainder of his or her extended-term paid sickness leave and his or her vacation allowance

to the extent use of such allowance is requested by the Participant pursuant to procedures established by the Employer.

3.14 Employee. A person who has been determined by the Employer in its sole discretion to be an employee of the Employer regardless of any determination made by any other person, entity or government body. The term "Employee" excludes all individuals who are treated by the Employer as independent contractors, consultants, project workers and/or temporary workers, all individuals who are paid wages by any person or entity unrelated to the Employer and/or all individuals who are not on the Employer's U.S. payroll. If it is determined that an individual was erroneously categorized as not being an Employee, he or she shall be treated as an Employee under the Plan only prospectively from the date of such determination.

3.15 Employer. Plan Sponsor; Southern California Gas Company.

3.16 ERISA. Employee Retirement Income Security Act of 1974, as amended.

3.17 Gainful Employment. Any employment that exists in the Employer's service territory, including, without limitation, the Employer, and that is or can be expected to provide a Participant with monthly earnings equal to at least 50% of the Participant's Pre-Disability Earnings.

3.18 Illness. A sickness or disease, Mental Illness, or pregnancy.

3.19 Injury. Bodily injury that is the direct result of an accident and not related to any other cause, and which is not intentionally self-inflicted.

3.20 LTD. Long Term Disability

3.21 Maximum Duration of Benefits. The longest period of time that the Participant will receive benefits for any one Period of Disability.

3.22 Mental Illness. A psychiatric or psychological condition regardless of cause, such as schizophrenia, depression, manic depressive or bipolar illness, anxiety, personality and/or adjustment disorders, or other conditions. These conditions are usually treated by a mental health provider or other qualified provider using psychotherapy, psychotropic drugs or other similar methods of treatment.

3.23 Monthly Benefit. The monthly sum of benefits payable to the Participant while s/he is under a Disability, subject to the terms of this Plan.

3.24 Normal Retirement Date. The first day of the calendar month following, or coinciding with, the later of the Employee's 65th birthday or the fifth anniversary of the Employee's commencement date of participation.

3.25 Outside Employment. Employment with another employer or self-employment.

3.26 Participant. An Eligible Employee who is enrolled pursuant to Article 4, and for whom coverage has not ceased under Article 6.

3.27 Period of Disability. A continuous length of time during which the Participant has a Disability.

3.28 Permanent and Stationary. A medical determination that a Participant's condition has reached the degree of medical improvement which is likely in the foreseeable future. The determination of Permanent and Stationary is made by a Doctor designated by the Employer. Disputes will be resolved through the workers' compensation process where applicable.

3.29 Plan. This Southern California Gas Company Long Term Disability Plan.

3.30 Plan Administrator. Disability Management Services.

3.31 Plan Year. The twelve consecutive month period commencing on January 1 and ending on December 31.

3.32 Pre-Disability Earnings. The Participant's Straight-Time Wage Rate in effect on the day before the Participant's Accrual Date.

3.33 Recurrent Disability. A Disability which is caused by a worsening, reappearance or aggravation of the Participant's condition, and due to the same cause(s) as the Participant's prior Disability for which the Participant received Monthly Benefits.

3.34 Regular Care of a Doctor. The Participant personally visits a Doctor as frequently as is medically required according to generally accepted medical standards, to effectively manage and treat the Participant's disabling condition(s), and the Participant is receiving the most appropriate treatment and care which conforms with generally accepted medical standards for the Participant's disabling condition(s) by a Doctor whose specialty or experience is the most appropriate for the Participant's disabling condition(s) according to generally accepted medical standards.

3.35 Regular Occupation. The Participant's regular and customary work routinely performed with the Employer prior to the Disability.

3.36 Sempra Energy Controlled Group. The Sempra Energy Controlled Group includes each corporation that is a member of the controlled group of corporations, within the meaning of Section 1563(a) (determined without regard to Sections 1563(a)(4) and 1563(e)(3)(C)) of the Internal Revenue Code (the "Code"), of which the Employer is a member, and each trade or business (whether or not incorporated) with which the Employer is under common control within the meaning of Code Section 414(c).

3.37 Spouse. A Participant's wife or husband who is mentally competent, and who is not legally separated or divorced from the Participant at the time of the Disability.

3.38 Straight-Time Wage Rate. Any amount that would have been paid to the Participant as (1) straight time wages, and (2) (on an annualized basis) as a lump sum merit increase absent his election to defer the receipt of earnings under the Southern California Gas Company Retirement Savings Plan.

3.39 Third Medical Opinion. Medical opinion to resolve disputes between the Employer's Doctor and the Participant's Doctor regarding the Participant's Disability status. If the Participant requests a Third Medical Opinion, the Participant will be examined by a Doctor selected by the Plan Administrator from a list of Doctors that is maintained by the Plan Administrator solely for the purposes of obtaining Third Medical Opinions under the Plan and as required under the Union bargaining agreement. The Doctors on the list shall not be affiliated with the Employer as a senior medical consultant and shall be independent from the medical clinics to which the Employer makes referrals on a regular basis. Further, to the extent practicable, the list shall include up to six Doctors that practice in each of the following categories: orthopedics, neurology, internal medicine, psychology, cardiology, OB/GYN and general practice. When a Third Medical Opinion is requested, the Plan Administrator shall randomly select a Doctor to do the Third Medical Opinion from the category that is most relevant to Participant's Disability. The Third Medical Opinion is binding upon the Plan Administrator and the Participant.

3.40 Union. The Utility Workers Union of America, AFL-CIO and International Chemical Workers Union Council, UFCW, AFL-CIO.

3.41 Vocational Assessment. The process, whether internal or external, used to determine whether an Employee is capable of performing the material duties of any Gainful Employment for which he or she is qualified by training, education or experience, or can become qualified through vocational training, education or Employer programs.

3.42 Vocationally Feasible. An Employee is Vocationally Feasible when he or she is capable of working in, or is capable of being trained for, Gainful Employment.

3.43 Vocational Rehabilitation. Employment or services made available pursuant to applicable workers' compensation laws that prepare a Participant under a Disability to resume Gainful Employment.

ARTICLE 4

ELIGIBILITY, ENROLLMENT AND COVERAGE

4.01 Participation; Effective Date of Coverage.

An Employee is an Eligible Employee and will be automatically enrolled in the Plan on the first day following the completion of the Eligibility Period, provided that the Employee is Actively at Work. If the Employee is not Actively at Work, the Employee will not be covered by this Plan until the day on which the Employee returns to active employment. If an Employee leaves the Employer's service during the Eligibility Period and is rehired within 12 months, the Employee's previous service will be credited toward the Employee's Eligibility Period.

4.02 Electing an Elimination Period.

1. Default.

Unless they have elected otherwise in accordance with subsection 2. of this section 4.02, Eligible Employees and Participants will be automatically enrolled for Elimination Period Option 1.

2. Election of Other Options.

Participants and Eligible Employees initially may enroll for Elimination Period Option 2 during a special enrollment period in 2009 established by the Employer. A Participant who becomes an Eligible Employee after this initial special enrollment period, may enroll for Elimination Period Option 2 within 31 days of becoming an Eligible Employee under this Plan. Thereafter, Participants may enroll in a different Elimination Period Option during any Annual Enrollment Period in accordance with the procedures established by the Plan Administrator. If a Participant does not make an affirmative election during initial enrollment, Option 1 will automatically apply and the Participant may not enroll for Option 2 until the next Annual Enrollment Period. If a Participant does not make an affirmative election during an Annual Enrollment Period, the Option applicable for the prior Plan Year will continue to apply and the Participant may not change his election until the next Annual Enrollment Period.

3. Effective Date of Elected Option.

If a Participant chooses Option 2 during the initial special enrollment, his election will take effect March 1, 2009. If a Participant chooses Option 2 within the first 31 days of becoming an Eligible Employee under this Plan, he will become covered by that Option either: (1) on the date he becomes a Participant if he has completed his enrollment by then; or (2) if later, the date he completes enrollment. If a Participant enrolls for a change in his Elimination Period Option during an Annual Enrollment Period, the change will take effect on the first day of the Plan Year immediately following the Annual Enrollment Period.

4.03 Deferred Effective Date.

Notwithstanding any other provision of Article 4, if, on the date that coverage would otherwise become effective under this Plan or under a newly elected Elimination Period Option, a Participant is absent from work due to Injury, Illness, temporary lay-off, leave of absence, or by reason of service in the uniformed services, the Participant's coverage under the Plan or the newly elected Elimination Period Option will begin on the date he returns to work as an Eligible Employee.

4.04 Participation Upon Reemployment.

1. Reemployment After Layoff or Leave of Absence

If the employment of an Eligible Employee is terminated for lack of work and the Employee is reemployed by the Employer within two years of the date of the layoff, or if an Eligible Employee is reinstated before the expiration of an authorized leave of absence, the Employee shall become an Eligible Employee on the first day he returns to work provided he is Actively at

Work. If an Employee is subject to this subsection, the Employee's service prior to the date of the layoff or the approved leave of absence will be credited for all purposes under this Plan.

2. Reemployment After Service in the Uniformed Services

If an Eligible Employee is reemployed after an absence by reason of service in the uniformed services, the Employee shall become an Eligible Employee on the first day he returns to work provided he is Actively at Work. If an Employee is subject to this subsection, the Employee will be credited for service prior to the date of the absence and for the period of time spent in the uniformed services, consistent with Section 3.05.

ARTICLE 5

CONTRIBUTIONS AND FUNDING

5.01 Premium Amounts.

The Employer, in its discretion, shall determine the applicable premium for purchasing coverage under this Plan from time to time with such professional assistance as it determines is necessary. The Employer may, in its discretion, adjust the premium at any time without prior notice to Participants.

5.02 Contributions.

The Employer will contribute on behalf of each Participant the premium amount necessary to provide coverage under the Plan for Elimination Period Option 1.

If the Participant elects Elimination Period Option 2 in accordance with Article 4, the Participant is responsible for paying the additional premium amount required to purchase Elimination Period Option 2. The Plan Administrator shall communicate the amount of such additional premium to Eligible Employees and Participants prior to initial enrollment, during each Annual Enrollment and within a reasonable period of time if the premium is changed during the Plan Year.

During initial enrollment and each Annual Enrollment Period, and pursuant to the terms of the Employer's Flexible Benefits Plan, an Eligible Employee may elect to have the Employer deduct any premiums that must be paid by the Participant to purchase coverage for Elimination Period Option 2 under the Plan from that Participant's pay. To the extent permitted under Code Sections 125 and 106, Participant contributions made under the Flexible Benefits Plan will be treated like non-taxable Employer contributions.

5.03 Payment of Premium During a Disability.

No premium will be due for a Participant after the Elimination Period, and for so long as the Participant is under a Disability and Monthly Benefits are payable under this Plan.

5.04 Funding.

This Plan is not required to be funded or insured, but may be funded through one or more trusts, including one or more trusts that are intended to be tax-exempt under Code section 501(c)(9). If the Employer does not establish a trust to fund Plan benefits, benefits shall be paid from the general assets of the Employer.

ARTICLE 6

TERMINATION AND MAINTENANCE OF COVERAGE

6.01 Termination of Coverage.

A Participant's coverage under this Plan will terminate on the earliest of the following dates:

- (1) The date the Participant is no longer an Eligible Employee for reasons other than Disability, whether due to a change in employment status or classification or due to a change in the qualifications to be an Eligible Employee under the terms of the Plan;
- (2) The last day the Participant is Actively at Work unless he or she is not Actively at Work due to Disability during the Elimination Period or while entitled to Monthly Benefits under this Plan; or
- (3) The date this Plan terminates.

6.02 Continuation of Coverage During an Approved Personal Leave of Absence and FMLA Leave.

If a Participant is on an approved personal leave of absence, the Participant's coverage will continue to the end of the month that immediately follows the month in which the Participant's personal leave of absence begins. If a Participant is on leave under the Family Medical Leave Act ("FMLA"), the Participant's coverage shall last until the end of the leave. Notwithstanding the foregoing, for the purposes of this Section 6.02, an approved personal leave of absence shall not include a leave of absence during which a Participant works directly for the Union and receives compensation directly from the Union. If a Participant is on an approved Union leave of absence, and receives compensation from the Company, such Participant's coverage will continue.

ARTICLE 7

QUALIFICATION FOR AND CALCULATION OF DISABILITY BENEFITS

7.01 Qualification For Benefits; Completion of Elimination Period and Exhaustion of Sickness Allowance.

A Participant will be eligible to receive Monthly Benefits, as calculated in Article 7 or Article 9, as applicable, beginning on his Accrual Date and continuing through the period specified in Article 8 if:

(1) The Participant incurs a Disability that is not an excluded Disability under Section 7.02 while covered by this Plan and provides satisfactory proof of such Disability as determined by the Plan Administrator in accordance with Article 13;

(2) The Participant remains under the Disability and under the Regular Care of a Doctor through and beyond the Elimination Period and the Accrual Date; and

(3) The Participant has exhausted all of the following: (a) all of his or her short-term annual accrued sick leave, (b) 50% of his or her extended-term paid sickness leave, (c) any extensions of such extended-term paid sickness leave due to integration with state disability insurance **and/or workers'** compensation (if any), and (d) the remainder of his or her extended-term paid sickness leave and his or her vacation allowance to the extent use of such allowance is requested by the Participant pursuant to procedures established by the Employer.

7.02 Excluded Disabilities.

This Plan will not pay benefits for Disabilities that:

(1) Are caused by, or contributed to by an occupational injury or illness arising from or during the course of Outside Employment;

(2) Are aggravated by Outside Employment during the Period of Disability that is not authorized by the Employer;

(3) Are intentionally self-inflicted;

(4) Are caused by, or contributed to by habitual drunkenness or addiction to narcotics;

(5) Occur while an individual is not a covered Participant under the Plan; or

(6) Are contracted, suffered, or incurred while the employee was engaged in, or which resulted from being engaged in, a criminal act or enterprise.

7.03 Delay in the Start of Benefits; Suspension of Benefits.

Regardless of the cause of the Disability, benefits will not begin to be paid until, or shall not be paid for any period during which:

(1) The Participant is not under the Regular Care of a Doctor, not following a prescribed treatment and/or fails to complete an approved Vocational Rehabilitation program;

(2) The Participant fails to provide the documentation required under 9.01 within 30 days of the dates provided in Section 9.01;

(3) The Participant does not provide medical evidence of Disability or attend a medical examination as required under the Plan;

(4) The Participant is not complying with Vocational Assessment, job search or interview, or return-to-work requirements under the Plan;

(5) The Participant has not updated his address with the Plan Administrator more than 20 days after changing his residence; or

(6) The Participant is on authorized leave of absence, suspended from work or is otherwise scheduled to be away from work without pay irrespective of his Disability.

The Plan Administrator may terminate Monthly Benefits pursuant to Section 8.04 notwithstanding action taken to delay or suspend payments under this section. No benefits will be paid after entitlement to benefits otherwise ends under Article 8. Additionally, no benefits will be payable for a Disability under this Plan if a Participant is receiving, or is eligible to receive benefits for the same Disability under a prior disability plan that was sponsored by the Employer, and was terminated before the Effective Date of this Plan.

7.04 Returning to Work During the Elimination Period.

If a Participant returns to work during the Elimination Period, a new Elimination Period will start if the Participant again experiences a Disability, whether or not the Disability is a recurrence of, or otherwise related to, the prior Disability.

7.05 Effect of Recurrent Disability.

If a Participant returns to work as an Active Full-Time Employee following completion of the Elimination Period and experiences a Recurrent Disability within 180 days of such return to work, then, provided the Participant remains continuously covered under this Plan from the date he returns to work until his Recurrent Disability occurs, the Recurrent Disability will be considered part of a single Period of Disability with the original Disability. Accordingly, the Participant will not be subject to a new Elimination Period and the Participant's Monthly Benefit will be the same as the amount he or she received prior to his or her return to work. For purposes of calculating his or her Maximum Duration of Benefits, the Participant will be credited with the days he or she returned to work.

Except as otherwise provided in this section 7.05, any Disability that occurs 181 days after the date the Participant returns to work will be treated as a new Disability and any claim based on such new Disability will be subject to all Plan provisions. Accordingly, any claim based on such new Disability will be subject to the satisfaction of a new Elimination Period and a new Maximum Duration of Benefits.

For purposes of calculating a Participant's Monthly Benefit, if a Participant experiences a Disability before being Actively at Work for a period of at least 12 consecutive months following his return to work, then the Participant will be eligible for a Monthly Benefit that is equal to the amount he or she received prior to his or her return to work. If a Participant experiences (1) a Recurrent Disability after being Actively at Work for a period of 12 consecutive months or more following his return to work, or (2) a Disability that is not a Recurrent Disability, his Disability will be treated as a new Disability for the purposes of

calculating his Monthly Benefit. The Plan Administrator has absolute and sole discretion to determine whether a Disability is a Recurrent Disability.

7.06 Accrual and Payment of Monthly Benefit.

The Monthly Benefit shall begin to accrue and become payable as of the first day of the normal payroll cycle that immediately follows the end of the Elimination Period. Subject to Section 7.03, the Participant will receive half of his or her Monthly Benefit (or fraction thereof, if applicable) on a biweekly basis.

7.07 Calculation of Monthly Benefits.

1. Disability Period of One Month or Greater After Accrual Date.

If a Participant qualifies for the payment of benefits under this Plan in accordance with Section 7.01, the Participant's Monthly Benefit will be calculated by multiplying the Participant's Pre-Disability Earnings by 60% and subtracting all Deductible Sources of Income as provided in Section 7.11. Historical information regarding the applicable percent for Pre-Disability Earnings for a Participant whose Disability occurred prior to April 1, 1991 is summarized in Attachment A.

Notwithstanding the foregoing, for Disabilities incurred on or after January 1, 2010:

(1) In the case of a Participant with at least 25 but less than 30 years of Continuous Service as of the Accrual Date, the Participant's Monthly Benefit for the first 12 months will be calculated by multiplying the Participant's Pre-Disability Earnings by 65% and subtracting all Deductible Sources of Income as provided in Section 7.11;

(2) In the case of a Participant with 30 or more years of Continuous Service as of the Accrual Date, the Participant's Monthly Benefit for the first 12 months will be calculated by multiplying the Participant's Pre-Disability Earnings by 70% and subtracting all Deductible Sources of Income as provided in Section 7.11.

2. Disability Period of Less Than One Month After Accrual Date.

If, for any month after the Accrual Date, a Participant is under a Disability for a period of less than the full month, the Participant's Monthly Benefit will be pro-rated for the partial month.

7.08 Minimum Disability Income Target.

An Employee who would have twenty or more years of service at Normal Retirement Date shall be entitled to receive a Monthly Benefit that when added to the Participant's Deductible Sources of Income will provide a minimum monthly disability income to the Participant that, in the aggregate, is not less than \$300 per month. For an Employee who would have less than twenty years of service at Normal Retirement Date, the \$300 minimum monthly income target under this section shall be proportionately reduced but shall not be less than \$225 per month.

7.09 Maintaining Benefits/Medical Examinations.

Periodically, while receiving benefits under this Plan, a Participant shall, upon the Plan Administrator's request, provide the Plan Administrator with proof acceptable to the Plan Administrator that the Participant remains Disabled and under the Regular Care of a Doctor. The Plan Administrator may require the Participant attend a medical examination by a Doctor selected by the Employer in its sole discretion at the time of the Disability and at reasonable times thereafter. A Participant residing outside the Employer's service territory may be requested, no more frequently than two times a year, to attend a medical examination by a Doctor selected by the Employer in its sole discretion. Notice of the medical examination must be mailed to a Participant residing outside the Employer's service territory not less than 30 days prior to the date of the exam. The Employer will pay the cost of the medical examination and the reasonable cost of public transportation within the Employer's service territory for a Participant who lives within the Employer's service territory and is required to attend a medical examination. The Employer will pay only the cost of the medical examination for a Participant who lives outside of the Employer's service territory and is required to attend a medical examination.

7.10 Continuation of Benefits after Plan Termination.

If a Participant is receiving benefits under this Plan, and this Plan terminates during the period of the Participant's Disability, benefits will continue under the terms of this Plan for as long as the Participant remains under the same Disability.

7.11 Coordinating Benefits with Deductible Sources of Income.

1. Generally.

If a Participant receives, or in some cases is eligible to receive, income from any source that qualifies as a Deductible Source of Income under this Plan, the income from such source will be subtracted from the Participant's future Monthly Benefits. The Plan Administrator will notify the Participant and the Union of the amount of any overpayment received from the Plan and will take reasonable steps to restore the overpayment to the Plan, including, without limitation, reducing the Participant's future Monthly Benefits, if any. If a Participant is not receiving a Monthly Benefit from the Plan because the payment is being completely offset by a Deductible Source of Income, a Participant must return to the Plan the amount of any overpayment received through a repayment plan agreed to by the Plan Administrator and the Participant. Such repayment plan may include repayment by the Participant in a lump sum payment or through monthly installment payments.

2. Deductible Sources of Income.

Deductible Sources of Income are all those benefits to which a Participant is eligible under the provisions of any Federal or State law providing for payments during the period of eligibility for a Monthly Benefit under this Plan (excluding benefits resulting from service in the United States Armed Forces) including:

(1) California State Disability Insurance for which the Participant is eligible under the California Unemployment Insurance Code;

(2) Workers' compensation benefits under the California Labor Code for which the Participant is eligible (or would have been eligible but for the Participant's failure to follow the rules of the Workers' Compensation Administrator);

(3) Social Security benefits for which the Participant is eligible.

Deductible Sources of Income shall not be reduced by any liens payable out of such sources and shall not be reduced by any costs incurred by the Participant in obtaining the Deductible Source of Income (including, but not limited to, attorney's fees or related liens).

All amounts received as a result of any claim which is made for any Deductible Source of Income, whether by judgment, compromise, settlement or any other method, shall be deemed a Deductible Source of Income, **provided, however, that:**

(a) if an overpayment is reimbursed to the Plan through the Social Security representation and recovery service made available under the Plan through a provider selected by the Employer (the "SSD Recovery Service"), then any service fees charged by the SSD Recovery Service that are deducted from or offset against such reimbursement by contract shall thereafter not be treated as a Deductible Source of Income;

(b) Deductible Sources of Income shall not include other service fees incurred directly by a Participant to obtain SSD benefits, provided that the Participant provides proof of such fees acceptable to ECS; and

(c) Deductible Sources of Income shall not include any amounts expressly designated as attorney's fees in a judgment, settlement document or other document evidencing an agreement of compromise or settlement with regard to SSD benefits.

3. Special Rules Applicable to Certain Deductible Sources of Income.

If a Participant does not apply for State Disability Insurance (SDI) benefits, it shall be assumed that the Participant is eligible for the maximum SDI benefit, unless the Participant proves otherwise.

If a Participant is awarded Social Security Disability (SSD) benefits while receiving a Monthly Benefit, an amount equal to the Participant's initial monthly SSD payment will be deducted when calculating the Participant's Monthly Benefit each month. Social Security cost-of-living increases will not result in larger deductions when calculating the Participant's Monthly Benefits under this Plan. The Participant's Monthly Benefit will not increase if there are liens, garnishes, or legal fees associated with getting the SSD award, **except to the extent certain amounts are not taken into account as Deductible Sources of Income under subsection 2 of Section 7.11.**

If a Participant is not receiving SSD benefits, his benefits under the Plan shall be reduced by the estimated amount of SSD benefits the Participant would have received beginning 17 months from the last day he is Actively at Work, unless he applies for SSD benefits pursuant to this Section. A Participant must apply for SSD benefits as soon as the Participant applies for benefits under this Plan and no later than 12 months after the last day the Participant is Actively at Work. **If the Participant has not applied for SSD benefits by the one-year anniversary of the last day the Participant is Actively at Work, the Participant must utilize the SSD Recovery Service upon referral to that service by ECS and cooperate with any reasonable requests made by the SSD Recovery Service in its effort to assist the Participant in his or her effort to obtain SSD benefits.** No reductions from a Participant's Monthly Benefit will be made if:

- (1) **The Participant** applies for SSD benefits within 12 months after the last day the Participant is Actively at Work and the application is denied;
- (2) The Participant shows proof of his/her SSD application;
- (3) The Participant provides a copy of any denial letter to the Plan Administrator;
- (4) The Participant appeals any denial from Social Security and the appeal is denied;
- (5) The Participant signs a payment option form agreeing that any overpayments will be offset from future Plan benefits or otherwise repaid; **and**
- (6) **With respect to a Participant who voluntarily utilizes the services of the SSD Recovery Service prior to the one-year anniversary of the last day the Participant is Actively at Work or a Participant who is required to utilize the SSD Recovery Service, the Participant cooperates with any reasonable requests by the SSD Recovery Service upon referral to that service by ECS.**

An award of SSD benefits shall not be determinative of whether benefits under this Plan shall be payable. Neither the Social Security Administration's definition of disability, nor its determination of disability shall be binding on this Plan, or the Plan Administrator.

7.12 Facility of Payment.

Whenever and as often as any person entitled to payments hereunder shall be determined to be a minor, or under other legal disability or otherwise incapacitated in any way so as to be unable to manage his financial affairs, the Plan Administrator, in its discretion, may direct that all or any portion of the benefit payment be made: to such person, to such person's legal guardian or conservator, or to such person's Spouse or any other person. The decision of the Plan Administrator shall, in each case, be final and binding on all persons. Any payment made pursuant to the authority herein conferred shall operate as a complete discharge of the obligations of the Plan in respect hereof.

ARTICLE 8

DURATION OF BENEFITS

8.01 Maximum Duration of Benefits.

The maximum length of time that a Participant may receive a Monthly Benefit is set forth on the following table based upon the Participant's age and years of Continuous Service on the Accrual Date:

Age at Disability	Completed Years of Continuous Service on the Accrual Date	Maximum Period of Benefits
Under age 60	Less than 15 years	5 years
Under age 60	15 years or more	To age 65
Age 60 or more	1 year or more	5 years

Historical information regarding the Maximum Duration of Benefits for Participants with Accrual Dates before June 1, 1991 is summarized in Attachment B.

8.02 Return to Regular Occupation on a Restricted Basis

Notwithstanding any other provision of the Plan to the contrary, if a Participant has been authorized by a Doctor to return to his or her Regular Occupation with restrictions, including, if applicable, reduced work hours, he shall be eligible to receive a Monthly Benefit for no more than 6 months following his return to his Regular Occupation under a transitional work (work hardening) plan developed in conjunction with the Plan Administrator; provided, however, that the Participant's Monthly Benefit shall be reduced hour for hour for each hour of Current Disability Earnings based upon the assumption that the Monthly Benefit is paid on a 40-hour work week basis. If an Employee refuses reinstatement under this Section, the Employee's Monthly Benefit will cease. Participants receiving a Monthly Benefit pursuant to this Section 8.02 continue to be subject to all other benefit eligibility conditions under this Plan, including, without limitation, medical examination requirements.

8.03 Maximum Duration of Benefits Where Participant Is Unable to Perform Regular Occupation but is Qualified for Other Gainful Employment.

1. Maximum Period of Benefits.

If a Participant suffers a Disability that prevents him from performing the duties of his Regular Occupation, but not from other Gainful Employment, the maximum length of time that such a Participant may receive a Monthly Benefit is, if the Participant becomes Permanent and Stationary and, in accordance with Section 10.02, has been offered employment with the Employer that the Participant is physically capable of performing, the shorter of: (a) the time period described in Section 8.01 or (b) the period up to the date

he becomes Permanent and Stationary plus the following time period based on completed years of Continuous Service:

Completed Years of Continuous Service when the Participant becomes Permanent and Stationary	Maximum Period of Benefits after Permanent and Stationary
Less than 15 years	One year
At least 15 years but less than 25 years	Two years
At least 25 years	Three years

2. Maximum Period Tolled for Temporary Disability.

If a Participant who has been determined to be Permanent and Stationary has an event that causes him to be under a temporary Disability, the one, two or three year maximum period of benefits, as applicable, will be tolled during the period of temporary Disability. Upon the Participant again becoming Permanent and Stationary, the Participant will receive a Monthly Benefit for only the balance remaining in the applicable maximum period.

3. When Offer of Employment Terminates Monthly Benefits.

The Participant's Monthly Benefit will cease when the Employer makes a Participant who has become Permanent and Stationary an offer of employment that the Participant is physically capable of performing if the employment offer is made after the expiration of the one, two or three year time period that corresponds with the Participant's years of Continuous Service as described in this Section 8.03, or, if earlier, at the end of the period provided for in Section 8.01.

8.04 Termination of Monthly Benefits.

Entitlement to benefits under this Plan shall end, and benefit payments shall cease on the earliest of the following:

- (1) The Participant is no longer under a Disability;
- (2) The Participant fails to furnish medical evidence, when requested by the Plan Administrator, of Disability or that the Participant continues to be under the Disability;
- (3) The Participant is no longer under the Regular Care of a Doctor, or refuses to attend a medical examination by a Doctor, if the Plan Administrator requires such an examination;
- (4) The Participant is not complying with Vocational Assessment, job interview, or return-to-work requirements under the Plan;

- (5) The Participant refuses reinstatement under Section 8.02;
- (6) The Participant accepts part-time Outside Employment without obtaining the Employer's permission as provided under Section 9.01;
- (7) The date that is 60 days after Monthly Benefits have been suspended under Section 7.02(2) if the Participant's failure to comply with the documentation requirements under Section 9.01 continues during the 60 days;
- (8) The Participant accepts full-time Outside Employment, except with regard to the benefit provided under Section 9.02
- (9) The Participant dies or otherwise terminates employment with the Employer, including, without limitation, by reason of the Participant's failure to accept a position under Section 10.02;
- (10) The Participant begins receiving benefits under the Employer's Pension Plan;
- (11) The date benefits terminate under the provisions of Article 10; or
- (12) The date determined by the duration tables set forth in Sections 8.01 or 8.03, as applicable.
- (13) The date the Employer makes a Participant who has become Permanent and Stationary an offer of employment that the Participant is physically capable of performing, if the employment offer is made after the expiration of the one, two or three year time period that corresponds with the Participant's years of Continuous Service as described in Section 8.01.

8.05 Effect of Termination of Monthly Benefits on Employment.

Termination of Monthly Benefits for any reason prior to a Participant's return to active service will result in the termination of the Participant's employment with the Employer.

ARTICLE 9

OUTSIDE EMPLOYMENT DURING DISABILITY PERIOD

9.01 Part-Time Outside Employment.

A Participant who is unable to perform his or her Regular Occupation and who is unable to perform any job for which the Employer currently has openings must obtain the Plan Administrator's permission to seek part-time Outside Employment. The Employer or Plan Administrator may deny permission if, in the judgment of the Employer's Doctor, the nature of the work is such that it would be likely to aggravate the Disability. If the Employer gives the Participant permission to obtain part-time Outside Employment, the Participant must provide the Employer with documentation of anticipated monthly earnings upon commencement of the Outside Employment and by October 31st of each year during which the Outside Employment

continues and must provide the Employer with documentation of Current Disability Earnings on or by the last day of April of each year. The April documentation must include copies of all W-2s received by the Participant and similar statements of earnings. Failure to provide such documentation will result in the termination of the Monthly Benefit under this Plan.

If the Participant's total Current Disability Earnings from all sources is greater than the Participant's Pre-Disability Earnings, the Participant's Monthly Benefit will be reduced by the excess amount.

9.02 Full-Time Outside Employment; Lump-Sum Partial Disability Subsidy.

A Participant who accepts full-time Outside Employment is deemed to have voluntarily terminated employment with the Employer and is not eligible for a Monthly Benefit under the Plan. A Participant who is Permanent and Stationary at the time he commences full-time Outside Employment will be eligible for a lump-sum partial disability subsidy if the Participant provides the Employer with salary and job commencement information and executes all necessary documents to allow the Employer to verify employment commencement and salary.

The lump-sum partial disability subsidy shall be equal to $A \times B$, where:

(1) A equals the lesser of (a) the Participant's daily Pre-Disability Earnings less the amount of average daily wages under the Participant's full-time Outside Employment, and (b) 60% of the Participant's daily Pre-Disability Earnings; and

(2) B equals the number of days and portion of days beginning with the commencement of the Employee's Outside Employment and ending on the earlier of (a) the one-year anniversary of the date upon which the Employee became Permanent and Stationary, or (b) the date upon which the Participant's Monthly Benefit would have ceased under Article 8 but for the Participant's acceptance of Outside Employment.

ARTICLE 10

VOCATIONAL ASSESSMENT, JOB SEARCHES AND VOCATIONAL REHABILITATION

10.01 Vocational Assessment.

As a condition of receipt of Monthly Benefits under this Plan, a Participant shall be subject to Vocational Assessment within 120 days of the date he or she becomes Permanent and Stationary.

10.02 Availability for Job Interviews; Offer of Other Employment with the Employer if Participant Is Vocationally Feasible.

A Participant who cannot return to his Regular Occupation, but who is Vocationally Feasible may be eligible for "disability bid" status under the terms of the applicable collective bargaining agreement. Any such Participant must actively participate in an alternate job search. Such active participation includes participating in pre-qualifying testing, routinely placing bids, and attending job interviews whether initiated by the Participant or the Employer. A Participant must

be available for such job search activities or job interviews upon ten working days notification, unless the Participant has previously notified the Employer that, for a reason acceptable to the Employer, he would be unavailable for job search activities or interviews during a fixed period of time. After being accepted for a position, an employee will be allowed a ten-day grace period to meet any applicable residence requirements.

If a Participant is determined to be Vocationally Feasible pursuant to Vocational Assessment, the Employer must offer the Participant a regular job which the Employee is physically qualified to perform. An Employee who does not accept such a position and who is not otherwise placed through the “disability bid” procedure shall be subject to termination from employment upon the termination of his or her Disability benefits under the Plan.

10.03 Vocational Rehabilitation.

Participants opting to participate in Vocational Rehabilitation will be subject to the following:

(1) Withdrawal from the Vocational Rehabilitation program will result in termination of Disability benefits under the Plan unless there is a medical reason for such withdrawal; and

(2) Upon completion of a Vocational Rehabilitation program, the Participant’s Monthly Benefit will terminate by the earlier of: (a) one year from the date the program is complete; (b) the date the Participant commences new employment; or (c) the date benefits would otherwise terminate under Article 8.

(3) Upon agreement with the Participant for the payment of funds in settlement of vocational rehabilitation benefits, the Participant’s Monthly Benefit will terminate the earlier of: (a) 60 days from the payment of such funds to the Participant; or (b) the date benefits would otherwise terminate under Article 8.

The Employer will notify the Participant of these conditions at the time the Participant begins the Vocational Rehabilitation program. The Employer will recommend to the Participant that he or she discuss the options with the Union and the Employer before entering a Vocational Rehabilitation program. The Employer will also notify the Union and include Participant’s telephone number and address in such notification.

ARTICLE 11

ADMINISTRATION

11.01 Plan Administrator.

The Plan Administrator shall have the authority to control and manage the operation and administration of the Plan. The Plan Administrator shall carry out its duties and responsibilities through its directors, officers and employees, acting on behalf of, and in the name of the Plan Administrator in their capacities as directors, officers, and employees, and not as fiduciaries. The Plan Administrator shall administer this Plan subject to all applicable requirements of law.

1. Discretion of the Plan Administrator.

The Plan Administrator, and any representative whom it chooses to assist it to carry out its responsibilities under this Plan, shall have the sole and exclusive discretionary authority for, and the maximum discretionary authority permitted by law to, interpret, construe, and administer this Plan, to make determinations regarding enrollment and eligibility for benefits, to evaluate and determine the validity of benefit claims, and to resolve any and all claims and disputes regarding the rights and entitlements of individuals to participate in the Plan and to receive benefits and payments pursuant to this Plan. The decisions of the Plan Administrator shall be conclusive and binding on all persons, subject to the applicable claims and appeals procedures.

2. Powers of the Plan Administrator.

The Plan Administrator's power shall include the power:

(1) To make and enforce such rules and regulations as it deems necessary or proper for the efficient administration of the Plan, including the establishment of any claims procedures that may be required by applicable provisions of law;

(2) To appoint such attorneys, actuaries, accountants, consultants and other persons as may be required to assist in administering the Plan; and

(3) To allocate and delegate its responsibilities under the Plan and to designate other persons to carry out any of its responsibilities under the Plan. Any such allocation, delegation or designation to be in writing.

3. Indemnification.

To the extent permitted by applicable law, the Employer shall indemnify the Plan Administrator its directors, officers, employees and agents against any and all claims, losses, damages and expenses, including legal fees and amounts paid in settlement with the Employer's approval, resulting from any action or failure to act in connection with the administration of the Plan, except when the same is determined to be attributable to the gross negligence or willful misconduct of the Plan Administrator.

4. ERISA Reporting and Disclosure Requirements.

Except as provided in Article 13, the Employer shall be responsible for submitting all required reports and disclosures relating to this Plan to Participants or their beneficiaries, the Internal Revenue Service, and the Department of Labor.

5. Rules and Decisions.

The Plan Administrator shall adopt such rules as it deems necessary, desirable, or appropriate in the administration of this Plan. All rules and decisions of the Plan Administrator shall be applied uniformly and consistently.

When making a determination or calculation, the Plan Administrator shall be entitled to rely upon information furnished by a Participant or Beneficiary, the Employer, or the legal counsel of the Employer.

ARTICLE 12

PLAN AMENDMENT AND TERMINATION

12.01 Amendments.

The Plan may be amended by a resolution of the Sempra Energy Pension and Benefits Committee adopting a Plan amendment on behalf of the Employer. The resolution shall authorize officers of the Employer to execute such amendment.

Notwithstanding the right of the Sempra Energy Pension and Benefits Committee to amend this Plan, a Participant's claim for Disability benefits shall remain governed by the terms of this Plan as it was on the date the Disability arose, provided however, that an amendment may change the administrative requirements required for continued payment of benefits.

12.02 Right to Terminate.

The board of directors of the Employer may terminate this Plan at any time with respect to all of its Eligible Employees or Participants, or one or more groups of its Eligible Employees or Participants, but no complete or partial termination of the Plan may reduce the amount of benefits then payable under this Plan to a Participant with a Disability who is receiving benefits. However, as part of a complete or partial termination of the Plan, an amendment may change the administrative requirements required for continued payment of benefits.

ARTICLE 13

CLAIMS PROCEDURE AND PAYMENT OF BENEFITS

13.01 Claims Procedure Definitions.

Whenever the following terms are used in this "Claims Procedures and Payment of Benefits" section, with their first letters capitalized, they shall have the meaning specified below:

1. Adverse Benefit Determination. A denial, reduction, or termination of, or a failure to provide or make payment (in whole or in part) for, a benefit, including any such denial, reduction, termination, or failure to provide or make payment that is based on a determination of a Participant's or Beneficiary's eligibility to participate in the Plan.

2. Benefits Claim. A request for Plan benefits made by a Participant or Beneficiary in accordance with the Plan's reasonable rules and procedures for filing claims for benefits.

3. Claimant. Any Participant, Beneficiary of a Participant, or authorized representative of a Participant, who files a claim on behalf of a Participant or who seeks review of an Adverse Benefit Determination. The Plan Administrator may establish reasonable

procedures for determining whether an individual has been authorized to act on behalf of a Participant.

4. Health Care Professional. A Doctor or other health care professional who is licensed, accredited or certified to perform specified health services consistent with State law.

5. Internal Rule. Internal rule, guideline, protocol, or other similar criterion.

6. Notice or Notification. The delivery or furnishing of information to an individual in a manner that satisfies the standards of 29 CFR section 2520.104b-1(b) as appropriate with respect to material required to be furnished or made available to an individual.

7. Relevant. A document, record, or other information shall be considered relevant to a Claimant's claim if such document, record, or other information:

(1) was relied upon in making the benefit determination;

(2) was submitted, considered, or generated in the course of making the benefit determination, without regard to whether such document, record, or other information was relied upon in making the benefit determination;

(3) demonstrates compliance with the administrative process and safeguards required in making the benefit determination; or

(4) constitutes a statement of policy or guidance with respect to the Plan concerning the denied treatment option or benefit of the Participant's diagnosis, without regard to whether such advice or statement was relied upon in making the benefit determination.

13.02 Initial Determination of Qualification for Benefits.

Upon completion of a Participant's Elimination Period, the Plan Administrator will contact the Participant to determine whether the Participant satisfies the qualification requirements specified in Article 7. A Participant who satisfies these requirements shall be deemed to have filed a Benefits Claim for purposes of this Article. In order for a Participant or Beneficiary to entitle himself/herself to the payment of any benefits for which the Participant is eligible under this Plan, the Participant shall furnish such pertinent information and documentary evidence as the Plan Administrator may require to determine whether such requirements are satisfied. A Participant must also provide the Plan Administrator with written authorization to obtain information from the Participant's Doctors pertaining to diagnosis and other related matters.

If the Plan Administrator determines that the Participant satisfies these requirements, the Plan Administrator will send the Participant a written notice of approval. Within 30 days of receiving this notice, the Participant must provide the Plan Administrator with all additional information requested by the Plan Administrator to enable the Plan Administrator to properly calculate the Participant's Monthly Benefits in accordance with Article 7. The Plan Administrator may delay payment of benefits if it does not receive the requested information.

The Plan Administrator, at its own expense, reserves the right and opportunity to require the examination by a Doctor or interview by a representative of the Plan Administrator of the person whose Disability is the basis of a claim hereunder, when and so often as may reasonably be required during the pendency of such claim.

13.03 Physical Examination/Medical Evaluation During Review of Claim.

1. The Plan Administrator's Responsibility.

The Plan Administrator may require a Claimant to be examined/medically evaluated to determine whether a Claimant has a Disability. Any such examination shall be at the Plan Administrator's sole discretion and at the Plan's expense.

The Plan Administrator shall make the necessary arrangements for the examination/evaluation and will notify the Claimant of the time and place of such examination/evaluation.

The Plan Administrator shall provide the examining Doctor with copies of the medical information in the Claimant's file. If the Claimant wishes to have the examining Doctor review any additional medical information, not in the Plan Administrator's possession, the Claimant must provide the Plan Administrator with a copy of the information so that the Plan Administrator may forward it to the examining Doctor.

Failure by the Claimant to attend such an examination/evaluation may result in denial or suspension of benefits under this Plan.

2. Doctor Opinions and Third Medical Opinion.

For purposes of determination of a Benefits Claim, the opinion of a Claimant's treating Doctor shall not be given greater weight or deference than that of a Doctor obtained by the Plan Administrator. **If there is a conflict between the opinions of the Doctor obtained by the Plan Administrator and the Claimant's treating Doctor, the Claimant may request a Third Medical Opinion, paid for by the Employer. The Third Medical Opinion is binding on both the Plan Administrator and the Participant.**

13.04 Timing of Notification of Benefits Determination.

If a Benefits Claim is wholly or partially denied, the Plan Administrator shall notify the Claimant of the Plan's Adverse Benefit Determination within a reasonable period of time, but not later than forty five (45) days after receipt of the Benefits Claim by the Plan, unless the Plan Administrator determines that special circumstances require an extension of time for processing the Benefits Claim.

1. Extension.

If the Plan Administrator determines that an extension of time for processing is required, due to matters beyond the control of the Plan, written Notice of the extension shall be provided to the Claimant prior to the termination of the initial forty-five (45) day period. The extension Notice shall indicate the special circumstances requiring an extension of time and the date by which the

Plan expects to render the benefit determination. This period may be extended by the Plan for up to thirty (30) days. If, prior to the end of the first 30-day extension period, the Plan Administrator determines that due to matters beyond the control of the Plan, a decision cannot be rendered within the extension period, the period for making the decision may be extended for up to an additional thirty (30) days, provided that the Plan Administrator notifies the Claimant, prior to the expiration of the first 30-day extension period, of the circumstances requiring the extension and the date by which the Plan expects to render a decision.

2. Notice of Extension.

In the case of any extension, the Notice of extension will specifically explain the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the Benefits Claim, and the additional information needed to resolve those issues. The Claimant shall be afforded at least 45 days within which to provide the specified information.

13.05 Calculating Time Periods.

The period of time within which a benefit determination is required to be made shall begin at the time a Benefits Claim is filed in accordance with the reasonable procedures of the Plan, without regard to whether all of the information necessary to make a benefit determination accompanies the filing.

In the event that a period of time is extended due to a Claimant's failure to submit information necessary to decide a Benefits Claim, the period for making the benefit determination shall be tolled from the date on which the Notification of extension is sent to the Claimant until the date on which the Claimant responds to the request for additional information.

13.06 Manner and Content of Notification.

The Plan Administrator shall provide a Claimant with a written Notification of any Adverse Benefit Determination. The Notification will set forth, in a manner calculated to be understood by the Claimant:

- (1) The specific reason or reasons for the Adverse Benefit Determination;
- (2) Reference to the specific Plan provisions on which the determination is based;
- (3) A description of any additional material or information necessary in order for the Claimant to perfect the Benefits Claim and an explanation of why such material or information is necessary.
- (4) A description of the Plan's review procedures and the time limits applicable to such procedures, including a statement of the Claimant's right to bring a civil action under section 502(a) of ERISA following an Adverse Benefit Determination on review.

If an Internal Rule was relied upon in making the Adverse Benefit Determination, either the specific Internal Rule or a statement that such Internal Rule was relied upon in making the

Adverse Benefit Determination and that a copy of the Internal Rule will be provided free of charge to the Claimant upon request.

13.07 Appeal of Adverse Benefit Determination.

1. Grievance and Arbitration.

(1) Within sixty (60) days after receipt of Notification of the Adverse Benefit Determination, the Claimant may seek review of the decision through the grievance and arbitration procedures set forth in any valid and enforceable collective bargaining agreement; provided however, that disputes about the medical existence of a Disability or Permanent and Stationary status shall be resolved by the third medical opinion procedures (including an agreed medical examiner, where applicable) set forth in the collective bargaining agreement.

(2) The request for review must be filed by the Claimant and must specify each of the Claimant's contentions. The Claimant may submit written comments, documents, records and any other relevant information relating to the Benefits Claim.

(3) Claimants will be provided, upon request and free of charge, reasonable access to and copies of all documents, records, and other information Relevant to the Claimant's Benefit Claim.

(4) Arbitration of a Vocational Assessment which impacts the payment of Monthly Benefits will be before an arbitrator who has experience in rehabilitation/vocational cases.

2. Decision on Review. Any decision on review shall be rendered through the grievance and arbitration procedure or third medical opinion procedure set forth in the collective bargaining agreement.

13.08 Calculating Time Periods.

The period of time within which a benefit determination on review is required to be made shall begin at the time an appeal is filed in accordance with the procedures of this Plan, without regard to whether all of the information necessary to make a benefit determination on review accompanies the filing. In the event that the period of time for making the determination is extended due to a Claimant's failure to submit information necessary to decide the Benefits Claim, the period for making the benefit determination on review shall be tolled from the date on which the Notification of the extension is sent to the Claimant until the date on which the Claimant responds to the request for additional information.

ARTICLE 14

MISCELLANEOUS

14.01 Non-Guarantee of Employment.

Nothing contained in this Plan shall be construed as a contract of employment between the Employer and any Eligible Employee, or as a right of any Eligible Employee to be continued in the employment of the Employer, or as a limitation of the right of the Employer to discharge any of its Eligible Employees with or without cause.

14.02 Applicable Law.

This Plan is governed by ERISA. To the extent ERISA does not preempt the application of state law, or where ERISA does not govern, the law of the State of California shall apply. No provision of this Plan shall be interpreted as an adoption of state law so as to supersede ERISA's preemptive effect.

14.03 Assignment.

No benefit payable under this Plan shall be subject in any way to alienation, sale, transfer, assignment, pledge, attachment, garnishment, execution, or encumbrances of any kind, and any attempt to accomplish the same shall be void.

No Participant entitled to benefits under this Plan shall have the power to transfer, assign, mortgage, or otherwise encumber any interest s/he may have herein, or to anticipate in any manner by assignment, agreement, or otherwise, the payment of any benefit or any other sum herein provided for him to be made; nor shall the interest of any Participant under this Plan or in any benefit provided hereunder be subject to attachment, garnishment, seizure or sequestration for the payment of debts, judgments, decrees or obligations of any kind owed by such person, or be transferable by operation of law in event of bankruptcy, insolvency or otherwise.

14.04 Misrepresentation or Fraud.

A Participant who receives a Plan benefit as a result of false or incomplete information or a misleading or fraudulent representation shall repay all amounts the Plan paid and is liable for all collection costs including attorneys' fees and court costs.

14.05 Legal Action.

1. Exhaustion of Administrative Procedures.

Before pursuing legal action, a person claiming Plan benefits or seeking redress related to the Plan shall first exhaust all claim, review and appeal procedures provided by the Plan. No action at law or in equity may be brought to recover Plan benefits or seek redress related to the Plan until the claim procedures contained in Article 13 have been exhausted.

2. Necessary Parties.

Unless otherwise required by law, the Plan, the Plan Administrator and the Employer are the only necessary parties to any action or proceeding that involves the Plan or its management and administration. No other person or entity is entitled to notice of any legal action, unless a court with appropriate jurisdiction orders otherwise.

14.06 Governing Instrument.

This writing, together with any documentation incorporated by reference, is the legal instrument governing the Plan. In case of conflict between this document and any of the writings incorporated by reference, the provisions of the documentation govern in the following order: this document, any summary plan description, any enrollment or election form, and, finally, any other incorporated writing. No writing or evidence may contradict or interpret the Plan's terms or provisions unless specifically incorporated by reference herein.

14.07 Savings Clause.

If a Plan provision or its application is held invalid under governing law by a court of appropriate jurisdiction, the remainder of the Plan and its application will not be affected.

ATTACHMENT A

	If Your Disability Occurred on or Before 4/1/82	If Your Disability Occurred Prior To 4/1/83 But After 4/1/82	If Your Disability Occurred on or After 4/1/83 But Before 4/1/91	If Your Disability Occurred on or After 4/1/91 But Before 1/1/2010	If your Disability Occurred on or After 1/1/2010
If you have less than fifteen Years of Continuous Service prior to eligibility for Monthly Benefits:					
First and Second Years of Disability:	55%	50%	60%	60%	60%
Subsequent Years	44%	40%	50%	60%	60%
If you have fifteen or more Years of Continuous Service but less than twenty Years of Continuous Service prior to eligibility for Monthly Benefits:					
First and Second Years of Disability	55%	50%	60%	60%	60%
Subsequent Years	49.5%	45%	55%	60%	60%
If you have twenty or more Years of Continuous Service prior to eligibility for Monthly Benefits:					
First and Subsequent Years	55%	50%	60%	60%	60%
If you have at least 25 but less than 30 Years of Continuous Service as of the Accrual Date:					
First Year of Disability	55%	50%	60%	60%	65%
Subsequent Years	55%	50%	60%	60%	60%
If you have 30 or more Years of Continuous Service as of the Accrual Date:					
First Year of Disability	55%	50%	60%	60%	70%
Subsequent Years	55%	50%	60%	60%	60%

ATTACHMENT B

Accrual Date	Age at Disability	Completed Years of Continuous Service on the Accrual Date	Maximum Period of Benefit
Before 6/1/91	Under age 60	Less than 10 years	5 years
Before 6/1/91	Under age 60	10 years or more	To age 65
Before 6/1/91	Age 60 or more	1 year or more	5 years