



LETTER AGREEMENT NO. 97-14-PGE



PACIFIC GAS AND ELECTRIC COMPANY
INDUSTRIAL RELATIONS DEPARTMENT
375 NORTH WIGET LANE, SUITE 150
WALNUT CREEK, CALIFORNIA 94598
(510) 746-4282

INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS, AFL-CIO
LOCAL UNION 1245, I.B.E.W
P.O. BOX 4790
WALNUT CREEK, CALIFORNIA 94596
(510) 933-6060

MEL BRADLEY, MANAGER OR
DAVID J. BERGMAN, CHIEF NEGOTIATOR

JACK MCNALLY, BUSINESS MANAGER

January 16, 1997

Local Union No. 1245
International Brotherhood of
Electrical Workers, AFL-CIO
P.O. Box 4790
Walnut Creek, CA 94598

Attention: Mr. Jack McNally, Business Manager

Gentlemen:

Company proposes pursuant to discussions between the parties to update the Standard Practice reference made in Section 201.6 of the Physical Agreement and Section 15.2 of the Clerical Agreement. Standard Practice 724.5-1 (DMA) was canceled March 1, 1995 and incorporated with Standard Practice 552-3 dated March 1, 1995. It is proposed that the reference to Standard Practice 724.5-1 currently in the Agreement be replaced by a reference to Standard Practice 552.3.

If you are in accord with the foregoing and agree thereto, please so indicate in the space provided and return one executed copy of this letter to the Company.

Very truly yours,

PACIFIC GAS & ELECTRIC COMPANY

By: 
Chief Negotiator

The Union is in accord with the foregoing and agrees thereto as of the date hereof.

March 10, 1997

By: 
Business Manager



Issuing Department MATERIALS & FLEET Page No. 1 (of) 2 Effective 03/01/95
 Corporate Officer VP - TECHNICAL & CONSTRUCTION SVCS. Replacing ALL Effective 11/01/93
 Page No. _____ (of) _____

Subject: **Assignment and Use of Vehicles for Company Business**

PURPOSE:

This Standard Practice provides:

- Procedures for the use of all Company vehicles.
- Procedures and reimbursement rates for the use of employee-owned vehicles and aircraft on Company business.

OVERVIEW

It is the policy of the Company to:

- Use Company vehicles for business purposes and to maximize the use of vehicle pools; and
- Reimburse employees for the authorized use of their personal vehicle on Company business.

DEFINITIONS

Vehicle Pools - Company-owned sedans, station wagons, utility vehicles, pickup trucks, etc., that are assigned to an organization and shared by several employees for business travel.

ACCOUNTABILITY

Vice President - Technical & Construction Services is responsible for issuing, updating and monitoring compliance with this Standard Practice.

SUPPLEMENTS/EXHIBITS

- | | |
|--------------|--|
| Supplement A | Employee Transportation Options |
| Supplement B | Use Of Employee Piloted Aircraft On Company Business |

*Paragraph Revised (Portions Underlined)
**Paragraph Added



Standard Practice

Standard Practice No. 552-3

Issuing Department MATERIALS & FLEET

Page No. 2 (of) 2 Effective 03/01/95

Corporate Officer VP - TECHNICAL & CONSTRUCTION SVCS.

Replacing ALL
Page No. _____ (of) _____ Effective 11/01/93

Subject:

SUPPLEMENTS/EXHIBITS cont'd.

- Exhibit A Payroll Commute Mileage Report (Form 61-0132)
- Exhibit B Decision Worksheet-Guidelines For Deciding When To Assign A Company Vehicle.
- Exhibit C Request And Authorization For Use Of Employee-Owned Vehicles (Form 62-4767)
- Exhibit D Personal Car Usage On Company Business Mileage report (Form 62-4904)

REFERENCES

Corporate Policy E5-7 "Acquisition, Use, Maintenance and Disposal of Vehicles."

CANCELING:

- a. Standard Practice 552-3, Assignment and Use of Company Vehicles, effective November 1, 1993
- b. Standard Practice 552-3.1, Assignment and Use of Company Vehicles by Officers, effective January 1, 1985.
- c. Standard Practice 724.5-1, Use of Employee-Owned Cars on Company Business, effective December 1, 1991.

AUTHORIZED BY:



JAMES H. POPE
VP - TECHNICAL & CONSTRUCTION SERVICES

*Paragraph Revised (Portions Underlined)
**Paragraph Added

EMPLOYEE TRANSPORTATION OPTIONS**Use of Company Vehicles**

1. Personal use of Company vehicles is not permitted. Personal use exceptions can only be authorized by an officer.
2. Employees may use company vehicles for commuting only when the commute is incidental to a bona fide business requirement.
3. Company vehicles are to be driven only by Company employees or individuals under contract to the Company, except for authorized servicing, repairs, and parking.
4. Vehicle assignments must conform to this Standard Practice and be authorized by the department/division manager or officer.

Transportation Options

5. The worksheet "Guidelines for Deciding When to Assign A Company Vehicle" (Exhibit B) should be used to decide which transportation option should be used to travel on company business.
6. Department/Division Vehicle Pools
 - a. Vehicles assigned to a department/division but not to individuals that are shared by several employees for business travel.
 - b. Use of pool vehicles is the preferred method of business travel and should be used whenever possible.
7. Assigned Company Vehicles - Required
 - a. A Company vehicle may be assigned to an employee and designated "required" by a department/division manager or officer if use of a pool vehicle is impractical and if the following conditions are met:
 - Employee travels more than 1500 miles per month on Company business.
 - AND
 - Employee begins or ends the working day at field locations at least 50% of monthly working days.
 - OR
 - Employee travels to a field location in response to emergencies or the employee is required to represent the company at community events
 - AND
 - This is done outside normal working hours at least 50% of monthly working days.
 - b. Such employees must submit on a quarterly basis the Payroll Commute Mileage Report (Form 61-0132, Exhibit A) to the Payroll Department. The form should be mailed within two weeks following the end of the reporting quarter (i.e., Jan 31, April 30, July 31, October 31), stating the number of one way commute trips.
 - c. Income will be imputed to the assigned employee at the rate of \$1.50 for each one way commute trip.

Transportation Options (cont'd)**7. Assigned Company Vehicles - Required (cont'd)**

- d. An employee with an "assigned-required" vehicle who has a principal work location at the General Office facilities in San Francisco, will have income imputed at the rate of \$33.00 per month in 1995 for employer-provided parking, whether or not parking is actually used. The taxable amount is based on access to parking and may not be prorated. The taxable amount is subject to change each year following review of parking rates at comparable facilities.
- e. Imputed income for garage parking will be grossed-up to cover applicable taxes.

8. Assigned Company Vehicles - Authorized

- a. A Company vehicle may be assigned to an employee and designated "authorized" by a department/division manager or officer if use of a pool vehicle is impractical and if the following conditions are met:
- Employee travels more than 1500 miles per month on Company business.
 - AND
 - Employee business travel is required on 50% of monthly working days.
 - OR
 - Employee is in a field location and is expected to be a "first responder" in an after hours emergency (i.e., front line supervisor who directly supervises field crews).
 - AND
 - The employee travels on company business 50% of monthly working days.
- b. Such employees must submit on a quarterly basis the Payroll Commute Mileage Report (Form 61-0132, Exhibit A) to the Payroll Department. The form should be mailed within two weeks following the end of the reporting quarter (i.e., Jan 31, April 30, July 31, October 31), stating the number of commute miles and business miles.
- c. Income will be imputed to the assigned employee on a year-to-date basis, using the IRS Annual Lease Valuation Rule. For imputed income, the Annual Lease Value will be multiplied by the percentage of the employee's commute mileage to total mileage for the number of months of the vehicle assignment. The Annual Lease Value is based on the average passenger fleet fair market value for that year vehicle.
- d. A payroll deduction of 5.5 cents per mile for fuel use will be made for commute use of the vehicle.
- e. An employee with an "assigned-authorized" vehicle who has a principal work location at the General Office facilities in San Francisco, will have income imputed at the rate of \$33.00 per month in 1995 for employer-provided parking, whether or not parking is actually used. The taxable amount is based on access to parking and may not be prorated. The taxable amount is subject to change each year following review of parking rates at comparable facilities.
- f. No gross-up of imputed income for garage parking or fuel use charges will be made.

Transportation Options (cont'd)

9. Employee-Owned Vehicles for Company Business -Authorized

- a. This applies to all employees except those in classifications represented in a bargaining unit where provision has been made in the union contract or an interpretation thereof.
- b. Use of employee-owned vehicles on Company business may be authorized by a department/division manager or officer if the following conditions are met:
 - Average annual business use is expected to exceed 750 miles per month.
 - OR
 - Business travel is required on 50% of monthly working days.
- c. Use of employee-owned vehicles on Company business requires the authorization by the appropriate department/division manager or officer. Prior written authorization is required on Form 62-4767, Request and Authorization for Use of Employee-Owned Vehicles (Exhibit C). The approved request is retained by the department/division manager or officer until the authorization is canceled.
- d. Authorizations are valid until revoked or until the employee is promoted or transferred to another position. Employees have a responsibility to notify their supervisor when they no longer meet the criteria outlined in 9.b.
- e. Employees shall carry automobile liability insurance with the following minimum limits:
 - a. Bodily Injury \$100,000 per person
 \$300,000 per accident
 - b. Property Damage \$ 50,000 per accident

The insurance shall cover the use of the car for business and pleasure.

- f. Reimbursement will be made using the personal expense account.

The allowance will be given for authorized use of employee-owned vehicles on company business (as authorized by Form 62-4767) at the following rate:

A fixed monthly payment of \$100 per month
 AND

The standard business travel rates allowed by the Internal Revenue Service (This rate is revised annually by the IRS but is 30 cents a mile for 1995) for the first 1,000 miles per month. Employees will be reimbursed at a flat rate of 15 cents a mile for miles driven over 1,000 miles a month.

Notes: If during a given month an employee's mileage is less than 750 miles and/or business travel is less than 50% of the working days, the employee is still entitled to the \$100 fixed monthly payment. Personal and business miles should be recorded daily on the "Personal Car Usage on Company Business Mileage Report" (Form 62-4904). See Exhibit D. The completed form is attached to the personal expense account.

Transportation Options (cont'd)

9. Employee-Owned Vehicles for Company Business -Authorized (cont'd)

- g. An employee who is authorized to use their own vehicle for company business and has a principal work location at the General Office facilities in San Francisco, will have income imputed at the rate of \$33.00 per month in 1995 for employer-provided parking, whether or not parking is actually used. The taxable amount is based on access to parking and may not be prorated. The taxable amount is subject to change each year following review of parking rates at comparable facilities.**
- h. No gross-up of imputed income for garage parking will be made.**

10. Employee-Owned Vehicles for Company Business - Periodic Use

- a. Employees should use their personal vehicle for business travel when a pool vehicle is not available.**
- b. Employees will be reimbursed at the standard business travel rate allowed by the Internal Revenue Service. This rate is revised annually by the IRS but is 30 cents a mile for 1995. Reimbursement will be made by using the employee personal expense account.**
- c. Employees must have insurance coverage and a valid drivers license as required by law.**

General

- 11. Use of employee-piloted aircraft on Company Business (See Supplement B).**
- 12. The Payroll Department will maintain a record of each vehicle and the reported assignment and usage information provided on the "Payroll Commute Mileage Report" (Form 61-0132, Exhibit A).**
- 13. Fleet Services will provide PG&E's average passenger fleet fair market value by year to the Payroll Department.**
- 14. Any change in the assignment of a vehicle to an employee must be reported in the Fleet Management System and to the Payroll Department.**

USE OF EMPLOYEE-PILOTED AIRCRAFT ON COMPANY BUSINESS

1. Purpose

To provide a mechanism for licensed pilots to obtain authorization to utilize private aircraft to travel on PG&E company business.

2. Definition

Private Aircraft - Any aircraft that is wholly or partially owned by an employee, or one that is leased, borrowed, or rented by an employee in the course of business.

3. The Pilot Shall:

- Comply with all Federal Aviation Administration (FAA) Regulations;
- Hold an FAA Private Pilot Certificate (or higher), with a FAA Instrument Rating and appropriate class rating for the aircraft operated;
- Hold a current and valid FAA Class III Medical Certificate (or higher);
- Have flown a minimum of 500 hours total time and 10 hours in the make and model to be flown.

4. Insurance

The pilot shall provide PG&E with a certificate of insurance, evidencing liability coverage on the aircraft flown with minimum limits of \$5,000,000 Combined Single Limit (CSL) BI/PD including passenger legal liability, naming PG&E as an additional insured.

Pacific Gas and Electric Company
Insurance Department, T19B
P. O. Box 770000
San Francisco, CA 94177-0001

5. Authorization

Use of employee-piloted aircraft on company business shall require the written authorization of the appropriate Business Unit General Manager.

6. Passengers

Carrying passengers or operation of aircraft outside the PG&E service area shall be identified and incorporated in the travel authorization process.

7. Important Notes

- PG&E's Business Travel Insurance Policy does not cover the pilot or crew members of any aircraft to whom this procedure applies.

7. Important Notes (cont'd)

- PG&E's intent is not to pick up any employee's liability resulting from the use of an aircraft on company business. These procedures are intended to provide guidelines that must be followed for the use of employee-piloted aircraft for transportation on company business.

8. Procedure

Employee

- Contact Insurance Department and obtain a pilot history questionnaire.
- Return completed questionnaire to Insurance Department with a copy of the Pilot Certificate and Medical Certificate, and a copy of the Business Unit General Manager's authorization to operate an aircraft on company business.
- List make and model of aircraft to be flown on company business as well as whether such aircraft is wholly or partially owned. If aircraft is to be rented, the owner of the aircraft as well as the owner's address must be included.

Insurance Department

- Submit the pilot questionnaire to the underwriter for evaluation.
- Following underwriter evaluation and approval, issue an authorization letter to the employee with a copy to the Business Unit General Manager.

9. Reimbursement

Reimbursement for employee piloted-aircraft use shall be based on avoided costs. Avoided costs shall be considered those costs that would normally be incurred by the company had the private aircraft not been used.

10. Travel Time

Allowed time off from work in which to travel shall be based on the time required, had the normal or customary means of travel been utilized.

**Pacific Gas and Electric Company
Payroll Commute Mileage Report**



Please use this form to report on a quarterly basis *commute trips* or *commute mileage* of assigned company vehicles. A detailed record of commuting in company vehicles must be kept by you.

RCO: _____ SSN: _____

Phone #: _____ Print Name: _____

Reporting Period: From Date: _____ To Date: _____

Vehicle #: _____ Odometer Reading: _____

Please fill out one of the following boxes:

Box 1: "C" Users—Assigned Required

If you use an assigned required vehicle, and a commute is incidental to its use, please report the number of commute trips. A commute trip is defined as a one-way trip either from the work place to home or from home to the work place.

Number of Commute Trips: _____

Box 2: "A" Users—Assigned Authorized

If you have an assigned authorized vehicle, please report the number of commute miles driven. Commute miles are the miles driven either from the work place to home or from home to the work place. Business miles are the total miles driven less the commute miles. These two figures added together should equal the total miles driven for the reporting period.

Number of Commute Miles: _____ Total Miles: _____

Employee Signature: _____ Date: _____

Authorized By:

Print Name: _____ Signature: _____ Date: _____

Please mail this form to: **Commute Desk
Payroll Department, Room 680
77 Beale Street
San Francisco
223-0555**

62-4767 (REV 2/95)
Fleet Services



Pacific Gas and Electric Company
Request and Authorization for Use of Employee-Owned Vehicles

Employees using their vehicles on Company business as per Standard Practice 552-3, must be insured with a minimum of \$100,000/\$300,000 bodily injury and \$50,000 property damage.

Name _____ Date _____, 19__

Position _____ S.S. # _____

Business Unit/Department _____ Location _____

Request for authorization to use personal vehicle for Company business where average use exceeds 750 miles/month or 50% of the monthly working days.

Nature of Work Requiring Car: _____

I hereby certify that whenever I am authorized to drive my personal vehicle on Company business, I will have a valid driver's license in my possession and will have in effect automobile liability insurance of at least \$100,000/\$300,000 for bodily injury and \$50,000 for property damage. The insurance shall cover the use of the vehicle for business and pleasure.

I understand that it is my responsibility to have in the vehicle evidence of financial responsibility including the name of my automobile liability insurer and the current policy number.

I understand that permission to drive a personally-owned vehicle on Company business is a privilege which may be suspended or revoked at any time for failure to comply with the above.

I understand that I have a responsibility to notify my supervisors when I no longer meet the requirements to have authorized "full-time" use of my vehicle for Company Business.

Employee's Signature _____

Recommended By _____ Approved By _____

Title _____ Title _____
(Manager or Officer)

Distribution: Division/Department Manager
Supervisor
Employee

EXHIBIT B

DECISION WORKSHEETGuidelines For Deciding When To Assign A Company Vehicle

Step 1 Does the employee travel more than 1500 miles per month on company business? And, does the employee begin or end the work day at field locations at least 50% of monthly working days?

Yes (Officers or Managers may assign a vehicle and designate it "required")
No (read on)

Step 2 Does the employee travel to field locations in response to emergencies or is the employee required to represent the company at community events? And, is this done outside normal working hours at least 50% of monthly work days?

Yes (Officers or Managers may assign a vehicle and designate it "required")
No (read on)

Step 3 Does the employee travel on company business more than 1500 miles per month or is the employee expected to be a "first responder" in an after-hour emergency in field locations (i.e. front line supervisor who directly supervises field crews). And, does the employee travel on company business at least 50% of monthly working days?

Yes (Officer or Manager may assign a vehicle and designate it "authorized")
No (read on)

Step 4 Can the employees' schedule be managed to facilitate use of a pool vehicle?

Yes (use pool vehicle)
No (read on)

Step 5 Is an employee-assigned company vehicle available for use?

Yes (use then return to the employee who is assigned the vehicle).
No (read on)

Step 6 Does the employee travel on company business more than 750 miles per month or 50% of monthly working days?

Yes (Officer or Manager may authorize full time use of employee-owned vehicle for company business using Form 62-4767 with compensation as follows:
\$100 per month plus the standard business travel rate allowed by the IRS (This rate is revised annually by the IRS but is 30 cents a mile for 1995) for the first 1,000 miles per month. Employees will be reimbursed at a flat rate of 15 cents a mile for miles driven over 1,000 miles a month).

No (read on)

Step 7 Reimburse employees (mileage basis) when a personal vehicle is used for business travel. Other options include: rent a vehicle or use public transportation.

For more information refer to Standard Practice 552-3 "Assignment and Use of Vehicles for Company Business"

For additional information on this worksheet, please contact Fleet Services.

