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PACIFIC GAS AND ELECTRIC COMPANY

PG&E + 245 MARKET STREET • SAN FRANCISCO, CALIFORNIA 94106 • (415) 781-4211 • TWX 910-372-6587

I. WAYLAND BONBRIGHT
MANAGER
INDUSTRIAL RELATIONS

RECEIVED
1-17-82
EXHIBIT
NO. 11718-2

December 13, 1982

Mr. Jack McNally, Business Manager
Local Union No. 1245
International Brotherhood of
Electrical Workers, AFL-CIO
P. O. Box 4790
Walnut Creek, California 94596

Dear Mr. McNally:

For your information, enclosed is a copy of revised
Standard Practice 552.1-1, effective December 1, 1982.

Very truly yours,

I. W. Bonbright
W

IWB:RS
Encl.

PG&E

FOR INTRA - COMPANY USES

From Division or Department **ASSISTANT COMPTROLLER-ACCOUNTING**

FILE NO. **552.1**

RE LETTER OF

SUBJECT **Standard practice 552.1-1**

To Division or Department **Use of Company Vehicles for Commuting
ALL DEPARTMENTS AND DIVISIONS**

November 30, 1982

OFFICERS
DEPARTMENT HEADS
DIVISION MANAGERS

Attached is revised Standard practice 552.1-1. The important changes are included in paragraph 14 and Exhibits. They are in response to your comments and suggestions that followed release of the original Standard Practice in October last year.

Because of the late issue of instructions, there were many problems involving Commute Miles Reports for the year 1981. With this acquired experience, together with the clarification provided by this Standard Practice, it is anticipated that 1982 reports will be more timely and complete. It is accordingly recommended that you verify assignment of vehicles and the extent to which they are used for commuting. The goal should be a Commute Miles Report on file in the Payroll Section for every vehicle that is permanently or temporarily assigned to an employee. Revised forms for this purpose may be ordered from the Emeryville Material Facility.

Your continuing cooperation in meeting this Company-obligation is appreciated.



K. S. TAYLOR

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Attachment

PACIFIC GAS AND ELECTRIC COMPANY
STANDARD PRACTICEVICE PRESIDENT AND COMPTROLLER
SENIOR VICE PRESIDENT—PERSONNEL

STANDARD PRACTICE NO. 552.1-1

EXECUTIVE OFFICE OR DIVISION

PAGE NO. 1 EFFECTIVE 12-1-82

ISSUING DEPARTMENT COMPTROLLERREPLACING
PAGE NO. EFFECTIVE

SUBJECT:

USE OF COMPANY VEHICLES FOR COMMUTING, ACCOUNTING FOR

POLICY

1. Commuting in Company vehicles generates reportable taxable income.

PURPOSE

- *2. Internal Revenue Service Regulations require that employees who use Company vehicles without charge for commuting must have income imputed to them commensurate with the commute value. The purpose of this Standard Practice is to set forth the procedure for recording and accounting for commuting cost, and reporting it as taxable income to the employee and the IRS.

RESCISSIONS

- *3. Standard Practice 552.1-1, effective January 1, 1981.

APPLICABILITY

4. This Standard Practice applies to all vehicles of the Company.

DEFINITIONS

5. A Company vehicle is any vehicle owned or leased by the Company and includes passenger cars, station wagons, pick-up trucks, and work vehicles.
6. Commuting is the travel between an employee's residence and established work location. The reason for use of a vehicle, such as on-call, to carry equipment, etc., does not alter its status as a commuting vehicle.
- *7. Established work location is the employee's payroll headquarters. If there is reassignment to a temporary location, the established headquarters may be retained for up to six calendar months. Extension beyond six months requires approval of the Division Manager or General Office Department Head.

PROCEDURES

8. All use of Company vehicles is subject to commute mileage reporting except where the use is occasional from a pool operation.
9. Usage of one or more Company vehicles by an employee to travel regularly between home and established work location is considered commuting, regardless of whether or not an employee makes Company business stops enroute to or from the established work location. The commute computation will be on the basis of the direct home to work location distance.
10. Employees will be subject to having income imputed for commute mileage only on the days they report to their regularly established work location.

SUBJECT:

USE OF COMPANY VEHICLES FOR COMMUTING, ACCOUNTING FOR

11. Each person who uses a vehicle or vehicles subject to commute shall submit Form 62-3460 (Exhibit A) to establish, revise, or terminate the recording of commute data. The report may be made on an estimated annual basis or on an actual basis each month.
12. For each employee commuting in a Company vehicle, the value of commuting is income to the commuter. Such value will be reported at the end of the year on the Form W-2, Wage and Tax Statement, furnished to the employee with a copy to the IRS.
- *13. Rates per mile to be used in computing the value of commute income will be according to the class of vehicle (Exhibit B). These rates are subject to periodic change.
- *14. The Company will pay an estimate of the income taxes applicable to reported commute miles when used by employees for emergency work under the following conditions:
 - a. Regular Emergency Personnel—For Servicemen, Troublemens, Field Foremen, Field Line Foremen, and those General Foremen who are ready to respond to emergency calls, whether or not they are standing call, the Company will pay an estimate of the income taxes applicable to *all of their imputed income*.
 - b. Relief Emergency Personnel—For employees who are *scheduled* as regular substitutes for Regular Emergency Personnel as described in paragraph 14.a., and whose relief schedules are sufficiently long as to require a Payroll Change, Form 62-7028, the Company will pay an estimate of the income taxes applicable to *that portion of their imputed income identified with the established relief schedule*.
 - c. For employees who have occasional emergency work as substitutes for Regular Emergency Personnel as described in paragraph 14.a., the Company will pay an estimate of the income taxes applicable to *that portion of their imputed income identified with actual responses to emergencies* either to restore service or to direct or assist others in restoring service. Reports must be submitted monthly, or less frequently if desired, but in no case are they to be received by the Payroll Department later than the fifth working day of January. A report is not necessary from an employee who is assigned a vehicle only to respond to occasional emergency calls.
- *15. Payment of taxes by the Company is accomplished by raising the imputed income enough to obtain a 30 percent Federal income tax and a 6 percent State income tax. These resulting taxes are paid directly to the IRS and State, and are included in the taxes withheld portion of Form W-2.
16. A letter will be issued by the Comptroller's Department following the close of each year to affected employees explaining the amount of the imputed income, and if applicable, the calculation for taxes.

12-1-82 (301)

PACIFIC GAS AND ELECTRIC COMPANY

STANDARD PRACTICE

VICE PRESIDENT AND COMPTROLLER
SENIOR VICE PRESIDENT-PERSONNEL

STANDARD PRACTICE NO. 552.1-1

EXECUTIVE OFFICE OR DIVISION

PAGE NO. 3 EFFECTIVE 12-1-82

ISSUING DEPARTMENT COMPTROLLER

REPLACING PAGE NO. EFFECTIVE

SUBJECT:

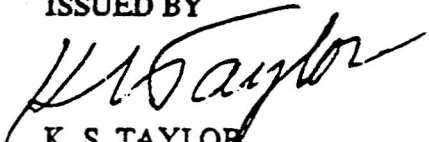
USE OF COMPANY VEHICLES FOR COMMUTING, ACCOUNTING FOR

17. Copies of this Standard Practice may be obtained by calling telephone number 2432.

*ADDENDA

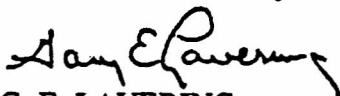
- Exhibit A-Commute Miles Report
- Exhibit B-Rates Per Mile For Commuting

ISSUED BY

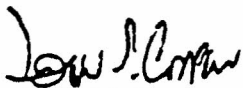


K. S. TAYLOR
Assistant Comptroller-Accounting

*APPROVED BY



G. E. LAVERING
Vice President and Comptroller



J. S. COOPER
Senior Vice President-Personnel

DISTRIBUTION

- Officers
- Department Heads
- Division Managers

12-1-82
301

FD-302
52-3460 (Rev. 11/82)

COMMUTE MILES REPORT

(For Use by All Employees with Permanently or Temporarily Assigned Company Vehicles)

Effective Date: Month _____ Day _____ Year _____

Name _____ Job Title _____

Social Security Number _____ Division _____ Department _____

Vehicle Number _____ Vehicle Type: Compact Subcompact Other

Purpose: To report commute data: Establish _____ Revise _____ Terminate _____

COMMUTE DAYS

(1) Available work days (annual) 240

Deductions:

(2) Regular Vacation _____

(2) Bonus Vacation _____

Estimated days not reporting to established payroll headquarters _____

Other - describe: _____

Total deductions _____

Commute days total _____ (a)

Commute days - Company pays taxes:

Emergency regular days _____

(S.P. 552.1-1, Para. 14.a.)

Emergency relief days _____

(S.P. 552.1-1, Para. 14.b.)

Emergency response days _____

(S.P. 552.1-1, Para. 14.c.)

Other - describe: _____

Total days - Company pays taxes _____ (b)

Total days - Employee pays taxes (line a - b) _____ (c)

Daily round trip miles residence to established payroll headquarters

(1) Allows for holidays and average sick leave.

(2) Exclude vacations days sold.

I declare to the best of my knowledge that the above information is true and correct. I agree to report immediately any change or correction of estimates in the above information.

Employee's Signature _____

Approved By _____

Comptroller's Department Concurrence _____

Original: Payroll Section-Disbursement Accounting Duplicate: Employee Triplicate: Division/Department

COMPANY VEHICLES

RATES PER MILE FOR COMMUTING
(Subject to Periodic Change)

	*Present	Prior
Subcompact Including 1/4 Ton Trucks	9¢	5¢
Compact	12¢	7¢
All Others	14¢	8¢

*Revised rates applicable to commute miles commencing January 1, 1982.