



<b>Title:</b>	Assigned Vehicles	<b>Date:</b>	10/12/2011
<b>Owner:</b>	Dennis L. Warden - Managing Director Supply Chain & Fleet Operations	<b>Sponsoring Area(s):</b>	Fleet Services

**Policy Statement:**

This policy provides guidelines and procedures for the assignment and use of all assigned vehicles.

**Detail:**

A vehicle that is permitted to be taken home regularly to an employee's residence and parked overnight and/or on weekends and holidays shall be considered an assigned vehicle with commutation privileges as further defined:

**I. Assignment of Vehicles**

A. The assignment of a vehicle to an employee, as well as the usage category, shall be approved by the appropriate member of the Executive Council or that officer's designee.

B. The vehicle usage categories are further defined in Section II. Assignments will be based on the following guidelines:

1. The job duties require a vehicle to perform the assigned tasks.
2. Substantial annual business travel (>15,000 miles)
3. The vehicle is specifically equipped and immediate availability is required for emergency call out and service restoration or the manner in which it is equipped is required to perform the job.

C. Vehicle assignments will be subject to review on an annual basis by using the vehicle assignment process or when the employee's job duties have changed. The vehicle assignment process is available on the Fleet Services [website](#).

All exceptions shall be approved by the appropriate member of the Executive Council or that officer's designee.

**II. Vehicle Usage Categories**

Vehicle usage categories have been derived from Internal Revenue Service (IRS) regulations, which mandate that most vehicle assignments are taxable fringe benefits. In general, daily commutation between an employee's home and office is considered a "personal use" privilege. Taxable income will be imputed to the employee for personal use of an assigned vehicle and will be subject to income tax withholding. It is the employee's responsibility to report any personal use of commuting in a company vehicle through the Payroll department's time reporting system.



#### A. Category II

Assignment will be based upon a number of factors including job duties, and substantial annual business travel (normally expected to be 15,000 business miles or more per year). With the exception of daily commutation, and associated de minimus use. Employees with a Category II company vehicle shall not be authorized to use the vehicle for any other personal use.

“De minimus use” can best be described as a brief side trip to the store, doctor, etc. as part of the normal commutation trip between the office and home. Daily commutation in a company-provided vehicle within this category will be charged \$1.50 per trip imputed taxable income and subject to income withholding tax.

#### B. Category II+

Assignment will be based upon the requirements of a Category II Assignment (above) with the additional requirement that the vehicle be equipped with the company provided 800 MHz radio. Employees with a Category II+ company vehicle shall be authorized to utilize the vehicle for daily commutation as well as some limited personal use within a twenty (20) mile radius of their home. This added privilege to run errands will allow the employee to be more available and accessible to the company during off-duty hours. This off-duty availability includes, but is not limited to the following situations:

- Monitoring of Distribution System performance during inclement weather conditions or abnormal operating conditions,
- Controlling and managing service restoration efforts

#### C. Category III

As per IRS guidelines: Specially equipped utility vehicles (i.e. vans with interior packages or trucks with a special utility body; company markings (stripes & decals); communication equipment; and rotating or strobe safety lights) will be assigned where commuting is required by the Company so that the vehicle is available for emergency call out and electrical service restoration. With the exception of daily commutation, employees with vehicles in Category III shall not be authorized to use the company vehicle for any other personal use. Note: A pickup truck does not qualify for this usage category under the IRS guidelines. Employees with a Category III vehicle assignment are not subject to income tax payment.

#### D. Category IV

Usage will be assigned to vehicles that are used only for business purposes and generally parked on the Company premises at night. This includes general and departmental pool vehicles not normally subject to commutation. An employee that is temporarily assigned a Category IV vehicle and utilizes the vehicle for commuting may be required to pay the imputed income tax. **The imputed income tax becomes the employee's responsibility regardless of the frequencies when commuting between primary work location and employee's home location or between employee's home location and primary work location.**



### III. Utilization of Assigned Vehicles

When an employee with an assigned company-owned vehicle is on leave for an extended period, the assigned vehicle should be temporarily assigned to another employee or to the departmental or general pool. When possible, all assignees shall make their company-owned vehicles available to others for conducting company business when requested to do so, thereby maximizing the usage of each vehicle for company business.

It is the intent of the Company that only employees shall operate and be passengers in company vehicles. However, non-employees are authorized to be in the vehicle as long as their presence is contributing to the business of the Company. Under special circumstances (i.e. to enhance the safe operation of a vehicle) a licensed non-employee shall be permitted to drive the company vehicle with the employee as a passenger.

#### Review / Revision:

Reviewed by: Wayne Farley, Manager, Fleet Administrative Services 4/8/2010

Approved By: Dennis L. Warden, Managing Director Supply Chain & Fleet Ops 10/12/2011