

December 5, 2002

The Board of Commissioners of Public Utilities  
Prince Charles Building  
120 Torbay Road, P.O. Box 21040  
St. John's, NL  
A1A 5B2

**ATTENTION: Ms. G. Cheryl Blundon**  
**Director, Corporate Services and**  
**Board Secretary**

Dear Ms. Blundon:

**Re: Order No. P.U. 7 (2002-2003)**

Enclosed please find fifteen (15) copies of the following:

1. The report on the Adequacy of the Lifeline Block on Diesel Electric Systems – This report is filed in compliance with paragraph 26 (ii) of Order No. P.U. 7 (2002-2003), page 180; and
2. The policies and procedures governing employee travel – This is filed with you as required by page 177, paragraph 8 (ii) of Order No. P.U. 7 (2002-2003). Section 12 of EMR 11 relates specifically to travel by companions and, as required by the Board (page 70 of Order No. P.U. 7 (2002-2003)), spousal travel costs are clearly stated to be unregulated expenses.

Yours very truly,

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Maureen P. Greene, Q.C.  
Vice-President Human Resources, General  
Counsel and Corporate Secretary

MPG/mgw  
Encls.

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**POLICY:**

The Hydro Group shall pay all reasonable business expenses incurred by its employees.

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**PROCEDURE:**

**Employee**

1. Employees shall account for expenses incurred on Hydro Group business by submitting an approved itemized Travel Claim.
  - 1.1 Travel Claims (Form No. 70-007) shall be submitted for approval within 10 working days of the trip completion, to the individual who authorized the expenditure.
  - 1.2 Approval of a Travel Claim may be given by a more senior management employee if the individual who authorized the expenditure is unavailable.
  - 1.3 Approved Travel Claims shall be submitted to Accounts Payable or the appropriate Regional Office for routing to Accounts Payable.
2. The traveling employee's immediate supervisor has primary responsibility for ensuring that claimed expenses comply with the Hydro Group's policies and procedures, and that P & P EMR 11 is strictly adhered to.

**Treasurer/Regional Officer Supervisor**

3. Where the approved Travel Claim shows the balance owing to the employee the employee shall be reimbursed by the Treasury Department or the Regional Office Imprest.

**Employee**

4. Where the Travel Claim shows a balance owing from a temporary advance. It may only be approved if accompanied by:
  - a cheque for the outstanding amount made payable to the appropriate company or,
  - a receipt signifying that payment has been made.

**Regional Office Supervisor/Accounts Payable Supervisor**

5. In the case of travel claims processed on Regional Office Imprest Accounts, it will be the responsibility of the Regional Office Supervisor to ensure that the policy as it relates to employee travel has been adhered to. Specifically, the Travel Claim should be checked for accuracy, correct coding on non-regulated travel expenses, proper approval, supporting vouchers and appropriate comments, and the person who approved the claim advised of any errors, infractions or deficiencies. It will be the responsibility of the Accounts Payable Supervisor to ensure that the above checks are performed on any other travel claims, and that infractions or deficiencies are communicated to the person who approved the claim.

**Forms: Travel Claim (Form No. 70-007)**



EMPLOYEE NAME \_\_\_\_\_

EMPLOYEE NO. ##

	Company	Business Unit (Cap. Job No.)	Object (Type)	Subsidiary (Cap. Cost Code)	Subledger (Work Order)	Amount						
							DEPARTMENT _____ TRAVEL AUTH. NO. _____ REASON FOR TRAVEL _____ _____ _____					
							DID YOUR TRIP INVOLVE AIR TRAVEL      YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> IF "YES" PLEASE ATTACH RECEIPT PORTION OF AIRFARE TICKET					
<b>TOTAL</b>												
DATE			PLACE			HOTEL	PER DIEM CHARGE	** TRANS-PORTATION	TELEPHONE (Business)	OVERTIME MEALS	* OTHER	TOTAL
YR	MO	DAY	FROM	TO								
TOTAL												
* RECEIPTS ARE REQUIRED												
** EXPLANATION REQUIRED BEFORE PAYMENT APPROVED												
I HEREBY CERTIFY THAT THE WHOLE OF THE EXPENDITURE IN THE FORGOING ACCOUNT WAS ACTUALLY AND NECESSARILY INCURRED ON CORPORATION BUSINESS.				APPROVAL			CHECKED BY			AMOUNT OF ADVANCE _____		
										EXPENSES _____		
										BALANCE DUE <u>CORPORATION CLAIMANT</u>		
										PAYABLE TO THE TREASURY DEPARTMENT, CFLCo. SITE ACCOUNTING DEPT., OR THE ORIGINATING AREA OFFICE AT THE TIME OF CLAIM SUBMISSION.		
CLAIMANT DATE YY MM DD				SUPERVISOR DATE YY MM DD			DATE YY MM DD					

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**POLICY:**

Employees when required to travel for the Hydro Group, will be reimbursed in accordance with the following procedures for authorized expenses incurred. (Employees covered by a Collective Agreement should refer to the appropriate clause in their Agreement)

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**PROCEDURE:**

**Immediate Supervisor**

1. Ensures that the employee has a thorough knowledge of policy and procedure concerning travel expenses. Reimbursement for travel may be requested on a **Travel Claim (Form No. 70-007)**.
2. TEMPORARY TRAVEL ADVANCE SITUATIONS
  - 2.1 Each time the employee is required to travel, a Travel Authorization (Form 70-006) must be approved by the immediate supervisor and submitted to the Travel Clerk or designated Regional Employee who will make the airline, hotel and car rental reservations and arrange the travel advance.
  - 2.2 Authorization for travel may be given by a more senior management employee if an approval level designated above is unavailable. In instances where the travelling employee and the approver are not in the same geographical location, approval via E-Mail , Lotus Note or Fax will be acceptable.
3. PERMANENT TRAVEL ADVANCE SITUATIONS
  - 3.1 Permanent Travel Advances should only be authorized for those employees whose responsibilities demand:
    - 3.1.1 extended periods of travel on Hydro Group business (i.e. line inspectors), or emergency travel within the Province in remote locations.

**Employee**

- 3.2 A Travel Authorization (Form 70-006) must be approved for a Permanent Advance as follows:

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**Regional /Plant Manager**

- 3.2.1 Permanent Travel Advances up to \$500 require the approval of the Regional/Plant Manager.

**Vice-President Finance & CFO and Vice-President Responsible**

- 3.2.2 Permanent Travel Advances over \$500 require the approval of the Vice-President and Chief Financial Officer, and under no circumstances shall it exceed \$1,000.

**Controller**

- 3.3 A Permanent Travel Advance authorization shall be valid for the calendar year in which it is issued. Employees in these situations are not required to obtain authorizations prior to travel as long as the initial Permanent Travel Advance authorization remains valid.
- 3.4 All Permanent Travel Advance authorizations shall be reviewed at year-end by the Controller's Department in conjunction with the Vice-Presidents who authorized the advances.

**Employee Holding Permanent Travel**

- 3.4.1 Employees shall be requested at year end;
- 3.4.1.1 to verify the outstanding balance reported by the Controller's Department if the advance is to be renewed.
- 3.4.1.2 to submit in full the outstanding balance if the advance is not to be renewed.

**4. TRAVEL ADVANCE/CLAIM PROCESSING**

**Treasury**

- 4.1 Travel Advances shall be issued through Treasury Department or a Regional Office Imprest Account for the date requested on the approved Travel Authorization Form.

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**Controller**

- 4.2 A balance claimed as payable shall be settled in accordance with **P & P ACC. 12 - Travel Claims.**

**5. TRANSPORTATION**

**Employee**

- 5.1 Travel shall be by the most economic and practical means of transportation.

- 5.2 Procedures regarding the business use of fleet or rental vehicles are set out in P & P **ADM 2** and **ADM 3.**

**5.3 Privately-Owned Vehicles**

Compensation for the authorized use of an employee's privately owned vehicle will be at the rate of 30 cents per kilometer exclusive of bridge, road and ferry tolls. No claim will be allowed for storage, maintenance, insurance, operation or repairs. Higher than the specified rate may be paid for the use of an employee's car in remote diesel plant locations where the immediate supervisor is satisfied that such is required and approves such higher rate.

The Hydro Group's liability insurance cannot provide liability protection for employees using privately-owned vehicles for business purposes. In such circumstances, employees using their privately-owned vehicle may be held legally liable for property damage and/or personal injury.

It is therefore imperative that employees using their privately owned vehicles on Hydro Group business arrange with insurers for the issuance of an endorsement permitting "Business Use" liability coverage. While the legal minimum liability coverage is \$200,000.00 and the decision as to the level of liability protection carried in excess of this amount rests with the individual employee, coverage of \$1,000,000.00 is strongly recommended.

Employees operating their privately-owned vehicles as authorized agents of the Hydro Group will be indemnified for collision damages to their vehicles that are not otherwise recoverable through claims against third parties or their own insurance policy. The cost of the first \$250 of collision deductible shall be assumed by the employee.

The Hydro Group assumes no responsibility or liability in cases where an employee, acting as its agent, would have been guilty of a violation of a statutory condition under the Automobile Insurance Act of Newfoundland (eg., intoxicated, unqualified to drive, racing, etc.).

The use of readily available public transportation is encouraged where practicable.

## **AIR TRAVEL**

6. Employees shall use their Corporate Purchasing Card to pay costs relating to air travel. When travelling on Hydro Group business, air travel will be by least cost except in cases where space is not available and the need for a particular journey is urgent.
  - 6.1 If the airfare is charged on the Corporate Purchasing Card the receipt portion of the airfare ticket or E-Ticket Itinerary and pink copy of travel authorization form must be attached to the employees Purchasing Card statement. The cardholder is responsible for ensuring that credit is received on their monthly Purchasing Card statements for any unused tickets returned to the travel agency or airline.
  - 6.2 If the airfare is charged direct to the Corporation, the airfare ticket or E-Ticket Itinerary must be attached to the approved travel claim and forwarded to Accounts Payable Department or the appropriate regional office for routing to Accounts Payable.
  - 6.3 Airfares are not to be charged to an employee's personal credit card except in cases of an emergency.
  - 6.4 Employees travelling on Hydro Group business will be provided with \$200,000.00 principal sum of Accident Insurance Coverage.

## **TAXI HIRE**

- 6.5 A taxi may be used by an employee when the use of such transportation is justifiable and reasonable.

## **ACCOMMODATION**

7. The type, standard and cost of accommodation will not be in excess of the minimum rate in a commercial establishment for a single room with attached bathroom.



- 7.1 Government/corporate rates should be requested and wherever possible, establishments that offer discounts should be given preference by the person making the travel arrangements.
- 7.2 Employees shall use their Corporate Purchasing Card to pay costs relating to accommodations. In exceptional cases where credit cards are not accepted, employees may request a cash advance that is sufficient in amount such that the travelling employee may pay for costs relating to accommodations.
- 7.2.1 Employees should note that only actual room costs and applicable taxes may be charged directly to the corporation or on their Purchasing Card and all other expenses such as meals, long distance charges, etc., are to be paid by the travelling employee when checking out. Cash advances can be obtained to cover these expenses.
- 7.2.2 Accommodations are not to be charged to an employee's personal credit card except in cases of an emergency.

## **ROOM AND BOARD**

- 7.3 In cases where it is practical to do so, and subject to approval of the Supervisor, employees may arrange board and lodgings in a non-commercial boarding house or with relatives or friends. In such cases, employees will be permitted to claim up to, but not exceeding \$30.00 per day to cover the cost of lodgings. In addition the employee may claim the per diem allowance under Paragraph 8 to cover meals, telephone calls, laundry, gratuities, and other incidentals.

## **8. MEALS AND SUNDRIES**

- 8.1 Employees are allowed per diem allowances to cover the total cost of meals, personal telephone calls, laundry, gratuities, and other incidentals as follows:

<u>Island of Newfoundland</u>		<u>Labrador and Other</u>	
Breakfast	9.00	Breakfast	10.00
Lunch	10.00	Lunch	11.00
Dinner	18.00	Dinner	19.00
Incidentals	<u>6.00</u>	Incidentals	<u>6.00</u>
	<u>\$43.00</u>		<u>\$46.00</u>

- 8.2 Employees travelling for less than one day and which does not involve overnight stay are entitled to claim the applicable meals rates as per 8.1 above.
- 8.3 When travelling in a foreign country, the daily per diem allowance should be considered equivalent to U.S. dollars, and should be converted to Canadian Dollars prior to recording on the Travel Claim Form. Conversion should be at exchange rates in effect on the date of travel advance issuance.

**9. USE OF CORPORATE FACILITIES**

Employees will not be permitted to claim the per diem allowance where board and lodgings are provided at Hydro Group facilities free of charge.

Employees who stay at Hydro Group provided accommodations may claim the incidental portion only, of the per diem allowance.

**10. ENTERTAINMENT**

Entertainment expenses shall be allowed at the discretion of the Vice-President.

**11. OTHER EXPENSES**

Any extraordinary expenses not covered by this procedure may be permitted when accompanied by adequate justification, and receipts where possible, indicating that the expense was incurred on Hydro Group business. Extraordinary expenses must be approved at the managerial level or above.

**12. NON-REGULATED TRAVEL EXPENSES**

Subject to managerial approval, an employee required to travel may be accompanied by their companion and the Hydro Group will pay all reasonable expenses incurred by that individual. The employee must submit an itemized Travel Claim which clearly indicates the costs incurred by their companion and these costs are to be expensed to Non-Regulated Business Unit No. 1955.

**13. TRAVEL CLAIM**

Travel Claims are to be submitted for approval within ten (10) working days following completion of each trip (see **P & P ACC 12 Travel Claims**).



# TRAVEL AUTHORIZATION

## Nº 127193

EMPLOYEE NAME \_\_\_\_\_ DEPT. \_\_\_\_\_ HOME TEL. \_\_\_\_\_ DATE \_\_\_\_\_

EMPLOYEE NUMBER \_\_\_\_\_

REASON FOR TRAVEL \_\_\_\_\_

REQUESTED MODE OF TRAVEL ☐ AIR ☐ AUTO ☐ OTHER SPECIFY \_\_\_\_\_ DATE OF DEPARTURE \_\_\_\_\_ DATE OF RETURN \_\_\_\_\_

Company Business Unit Object Subsidiary Subledger Amount  
(Cap. Job No.) (Type) (Cap. Cost Code) (Work Order)

_____	_____	_____	_____	_____	_____	AIRLINE TICKET # _____
_____	_____	_____	_____	_____	_____	AIRLINE LOCATOR # _____
_____	_____	_____	_____	_____	_____	AIRLINE TICKET AMOUNT \$ _____
TOTAL						

RESERVATIONS				CHECK LIST	
	YES	NO	CONFIRMED		
SMOKING AREA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	SEAT PREFERENCE	TRAVEL ARRANGED BY EMPLOYEE <input type="checkbox"/>
HOTEL RESERVATIONS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	PREFERENCE	OR TRAVEL TO BE ARRANGED BY TRAVEL CO-ORDINATOR <input type="checkbox"/>
GUARANTEED LATE ARRIVAL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	AGENCY	TRAVEL AGENT'S NAME _____
CAR RENTAL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

DATE	FLIGHT NO.	TIME	VIA	DEPARTURE POINT	ARRIVAL POINT

SPECIAL INSTRUCTIONS \_\_\_\_\_

TRAVEL ADVANCE: TEMPORARY ☐ PERMANENT ☐

DATE ADVANCE REQUIRED \_\_\_\_\_ AMOUNT \$ \_\_\_\_\_

EMPLOYEE SIGNATURE \_\_\_\_\_ TRAVEL AUTHORIZED BY \_\_\_\_\_