



Nova Scotia Utility and Review Board

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September 14, 2010

By email: lee.thomson-lutz@nspower.ca

Ms. Lee Thomson-Lutz, MBA, CMA
Capital Manager
Nova Scotia Power Inc.
14th Floor, Barrington Tower
P. O. Box 910, Scotia Square
Halifax, NS B3J 2W5

Dear Ms. Thomson-Lutz:

**Nova Scotia Power Inc. - First Quarter 2010 Capital Items and Capital Reports:
CI # 38852 - Work Vehicle Replacement (P-128.10) / Matter No. M03088**

Please respond to the following 3rd set of Information Requests ("IRs") related to the above-noted confidential work order:

IR - 4 On November 21, 2007 the Board approved NSPI's request for the planned purchase of 31 work vehicles. According to the response to IR-1, filed on August 10, 2010, 16 of these vehicles were obtained through a capital lease:

- a) Please explain the decision to lease, and not to purchase these vehicles.
- b) Who is the lessor and what are the terms of the lease?
- c) Please provide a cost benefit comparison of these two alternatives (purchase versus lease).

IR - 5 In its response to IR-3, as it relates to transportation vehicles, NSPI states:

The number of vehicles to be acquired was reduced due to NSPI reevaluating the direction taken by the North American Automobile Industry with regard to the type of vehicles being manufactured.

- a) Please explain the above statement.
- b) Please provide a list of vehicles that NSPI planned to purchase, but did not, due to the above stated reason.

IR - 6 In the response to IR-3, as it relates to transportation vehicles, NSPI also states:

At this time, NSPI's supplier of trucks was uncertain if they would be manufacturing trucks in the future.

In its response to IR-GP15, filed on March 5, 2010 as a part of the 2010 ACE Plan review, NSPI states that it has an alliance with Ford Canada to purchase all transportation vehicles. Please comment on the status of this alliance and, if available, provide an update on the plans regarding the future supplier of these trucks.

IR - 7 In its response to IR-3, as it relates to the purchase of Class 3 Vehicles in 2009, NSPI states:

No vehicles were purchased due to NSPI reevaluating the direction taken by the North American Automobile Industry with regard to the type of vehicles being manufactured.

- a) Please explain the above statement.
- b) When and how many of these vehicles does NSPI plan to purchase? Please elaborate.

IR - 8 The current capital expenditure request covers the cost for the purchase of 26 work vehicles:

- a) Please explain the decision to purchase, and not to lease these vehicles.
- b) Please provide a cost benefit comparison of these two options.

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Responses are to be filed on or before **Tuesday, September 28, 2010**. The Board requires an electronic copy followed by **three** hard copies.

Yours truly,



Nancy McNeil
Regulatory Affairs Officer/Clerk

cc Eric Ferguson, Director Regulatory Affairs

By e-mail