



Nova Scotia Utility and Review Board

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July 26, 2010

By Email and Courier

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

Dear Ms. Thomson-Lutz:

**NSPI - Request for Approval of 2010 ACE Plan Work Order - P-128.10 (Confidential):
CI # 34582 - Class 3 Light Work Vehicles**

The Board has reviewed NSPI's letter dated April 30, 2010 (hard copies received May 4, 2010), in which Board approval was requested for the following **confidential** Work Order greater than \$1 million:

CI # 34582	Class 3 Light Work Vehicles	\$1,063,981
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As a part of the 2010 ACE Plan review, Board staff issued Information Requests ("IRs") on February 5, 2010, and NSPI's response was received on March 5, 2010. Further IRs were issued on June 30, 2010, to which a response was received on July 15, 2010.

The revised cost estimate for this project is \$1,063,981, a reduction of \$87,068 from the amount of \$1,151,049, which was included in the approved 2010 ACE Plan. NSPI has advised that the inclusion of the amount of \$87,068 was the result of an input error and should be removed from the cost of this project.

The Board has considered the information filed by NSPI in support of this expenditure, including its March 5 and July 15, 2010 responses to Board staff IRs. The Board understands that the purchase of new light work vehicles is required in order to meet NSPI's service level commitments. The Board notes significant discrepancy between the forecasted (14) and actual (4) number of light work vehicles purchased in 2007, 2008 and 2009, as well as between the approved and actual expenditures.

While the Board has some concerns regarding the purchase of light work vehicles in the previous few years, as set out above, it accepts that this project is necessary and the corresponding cost is justified. Accordingly, this will confirm that the Board has approved NSPI's request for the amount of \$1,063,981 with respect to this Work Order.

Yours very truly,

A handwritten signature in black ink, appearing to read 'K. Dhillon', written over a horizontal line.

Kulvinder S. Dhillon, P.Eng.
Member

c.c. Eric Ferguson, Director, Regulatory Affairs

By email