



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 # 34583 - Transportation Vehicle Replacements**

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 # 34583 Transportation Vehicle Replacements \$1,723,031

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 \$1,723,031, compared with the amount of \$3,446,331, which was included in the approved 2010 ACE Plan. NSPI has advised that the variance of \$1,723,300 represents the amount that was forecasted for vehicle purchases in 2011. As NSPI now plans to purchase vehicles on a yearly basis, the revised amount of \$1,723,031 provides for costs associated with the purchase of transportation vehicles in 2010 only.

The Board has considered the information filed by NSPI in support of this expenditure, including its March 5 and July 15, 2010 responses to Information Requests. The Board understands that the purchase of new transportation vehicles is required in order to meet NSPI's service level commitments.

The Board 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 \$1,723,031 with respect to this Work Order.

Yours very truly,

A handwritten signature in black ink, appearing to read "Kulvinder S. Dhillon". The signature is written in a cursive style with a horizontal line underneath the name.

Kulvinder S. Dhillon, P.Eng.
Member

c.c. Eric Ferguson, Director, Regulatory Affairs

By email