



Nova Scotia Utility and Review Board

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July 14, 2010

By email: eric.ferguson@nspower.ca

Mr. Eric Ferguson, CMA
Director, Regulatory Affairs
Nova Scotia Power Inc.
P. O. Box 910, Scotia Square
14th Floor, Barrington Tower
Halifax, NS B3J 2W5

Dear Mr. Ferguson:

Nova Scotia Power Inc. - Fuel Manual Revision Guide - P-200

The Board has reviewed NSPI's Fuel Manual Revision Guide ("Guide") submitted May 7, 2010 and NSPI's response of May 27, 2010 to the Board's May 14th questions. The Board understands that this revision of the Guide was prompted by Liberty's observation that changes were made to the Fuel Manual but were not identified in the manual nor were they communicated to the Board and stakeholders.

NSPI has indicated that the Guide is an internal document used by NSPI in the administration of the Fuel Manual revision process and this version of the guide was issued to FAM stakeholders on April 27th for their review and comment. In its response letter of May 27th, NSPI stated:

The Guide was provided for the Board's information and in the event the Board has comments. NSPI does not request Board approval of the Guide, as it describes processes for internal administration only, leading up to and following Board approval of the Fuel Manual. NSPI will seek Board approval of future revisions to the Fuel Manual.

The Board recognizes that the Fuel Manual was developed through intense collaboration among NSPI, the Board's consultants, and various stakeholders. NSPI is encouraged to continue with this approach in future revision to the Fuel Manual. However, the Board also recognizes that the Fuel Manual includes internal NSPI procedures which guide NSPI in fulfilling its responsibilities for prudent performance related to fuel procurement and management. Therefore, the Board has not formally approved NSPI's current version of the Fuel Manual and intends to continue treating the manual with a similar status as the Integrated Resource Plan. That is, NSPI retains ownership and responsibility for the Fuel Manual and NSPI's actions on fuel related activities. Changes proposed

to the Fuel Manual by NSPI or others should continue to be reviewed in a structured collaborative process involving stakeholders, as well as Board staff and consultants. Any agreed changes should be clearly explained to the Board and interested parties well in advance of NSPI's proposed implementation.

Yours very truly,

A handwritten signature in cursive script, appearing to read "Nancy McNeil".

Nancy McNeil
Regulatory Affairs Officer/Clerk

c. S. Bruce Outhouse, Q.C.
FAM Intervenors

By Email
By Email