

October 15, 2010

Nancy McNeil
Regulatory Affairs Officer/Clerk
Nova Scotia Utility and Review Board
1601 Lower Water Street, 3rd Floor
Halifax, NS B3J 3P6

Dear Ms. McNeil:

**Re: North American Electric Reliability Corporation – Reliability Standards;
and Northeast Power Coordinating Council, Inc. – Regional Reliability
Criteria – NERC-R-10/Matter No. M03324**

The Utility and Review Board (UARB) has requested that Nova Scotia Power Inc. (NSPI) propose a timeline for the approval of the NERC Reliability Standards and NPCC Regional Reliability Criteria by October 15, 2010.

NSPI is currently undergoing a comprehensive NERC compliance audit, the first stage of which commenced in July, 2010 with the second and final stage expected to be complete later this month. At the time of signing the Memorandum of Understanding, NSPI, NERC and NPCC were cognizant of the fact that the audit would occupy significant NSPI resources and that the same staff resources who are involved in the audit will be involved in the proceeding before the UARB on the issue of the approval of the NERC Standards and NPCC Criteria. The parties agreed that it would therefore be appropriate for NSPI to file its recommendation by the end of Q4, 2010, after the full audit results were known and could be assessed.

Another benefit to waiting for the completion of the audit is that the results of the audit will be of assistance to all parties, including the UARB, in assessing the filings by NERC and NPCC. In particular, NSPI will be able to comment on its standing relative to compliance at the time it makes its recommendation to the Board.

NSPI understands that only one other intervenor, other than itself, has registered with the UARB in this matter. NSPI agrees with the Board's comments in its letter to Ms. Davis Smith of May 28, 2010 that this approval process is likely best served through a 'paper' process as opposed to an oral hearing. NSPI assumes that would involve a timeframe for IRs, Intervenor Evidence, Final Submissions, and Reply.

NSPI suggests that given there are three parties potentially answering IRs, two of which are large out of the jurisdiction organizations and new to UARB process, at least three weeks would be appropriate for answering the IRs. NSPI suggests the following approximate timeline for the Board's consideration:

NSPI Recommendation	December 16, 2010
IRs to NSPI, NERC and NPCC	January 20, 2011
Responses to IRs	February 10, 2011
Intervenor Evidence/Comment	March 3, 2011
IRs to Intervenor	March 17, 2011
Responses to IRs	April 7, 2011
Final Submissions by NSPI, NERC, NPCC	April 21, 2011
Reply	May 5, 2011
Anticipated UARB decision	by August 2011

NSPI has reviewed this proposed timeline with NERC and NPCC and the parties are in agreement.

NSPI would be pleased to discuss further, if the Board wishes.

Yours truly,



Nicole Godbout
Regulatory Counsel

cc: S. Bruce Outhouse, Q.C.
Davis Smith, NERC
Margaret Mayora, NPCC
David Cook, NERC
J. René Gallant
Eric Ferguson
Sara Tingley