

file

August 26, 2010

Nancy McNeil
Clerk of the Board
Nova Scotia Utility and Review Board
1601 Lower Water Street, 3rd Floor
P.O. Box 1692, Unit "M"
Halifax, NS B3J 3S3

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Nova Scotia
Utility and Review Board

Re: CI # 38062 – 2010 Off Road to Roadside - P-128.10 Responses to Information Requests (IRs)

Dear Ms. McNeil:

Enclosed are IR responses pertaining to the capital item referenced above. These IRs were received on August 12, 2010.

Regards,



Lee Thomson-Lutz, MBA, CMA
Manager, Capital

Encl.

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Request IR-1:

The project description states: "This project will relocate approximately 18 kms of distribution line from off road to the roadside in various locations throughout the Province". In its response to IR-D5(a) NSPI provided a list of feeders to be relocated in the total length of 8.65 km. Please explain the discrepancy and clarify the scope of work.

Response IR-1:

At the time ACE 2010 was finalized, it was estimated that \$1 million would provide for the relocation of approximately 18 km of line. This distance referenced in ACE 2010 was a preliminary estimate. At this time, this job had not been fully scoped.

Following a more detailed cost analysis, it has been determined that the three feeders referenced in the table provided in response to IR-D5 (a) will be relocated. These three feeders total 8.65 km. The updated project scope and related cost estimates are reflected in NSPI's June 29, 2010 submission for UARB approval of this capital item.

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Request IR-2:

The list of feeders planned for relocation (IR-D5(a), Attachment 1) includes the feeder 23W-302. This feeder is not included in Table 1 of the same response. Please explain.

Response IR-2:

The feeder 23W-302 out of Clyde River was originally part of this project's scope but has since been deferred to 2011 following more detailed scoping. This feeder was omitted in error in response to IR-5 (a).

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Request IR-3:

According to the outage performance statistics provided in Attachment 1, it appears there were no significant reliability issues with the feeder 582C-311 in 2008 and 2009, as well as with the feeder 23W-302 in 2009. Please explain.

Response IR-3:

Although there have been no significant reliability issues with feeder 23W-302 in 2009 and feeder 582C-311 in 2008 and 2009, NSPI's field personnel have indicated that when outages do occur on more isolated sections of these feeders, the time to repair can be lengthy due to access issues. Relocating lines from isolated areas to the roadside will improve reliability by reducing the duration of outages.

The relocation of feeder 23W-302 out of Clyde River has since been deferred until 2011 following more detailed scoping and a better understanding of the work schedule involved.

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Request IR-4:

The breakdown of costs associated with this project, as provided in the response to IR-5(c), differs from the breakdown of costs provided in the work order submission. Please explain the discrepancy.

Response IR-4:

At the time ACE 2010 was developed, NSPI assumed a 55% to 45% split between NSPI and affiliate labour. It wasn't until a detailed scope was completed that the length of line and work involved was finalized. With consideration given to the isolated locations of the lines and required resources, NSPI has elected to contract a higher percentage of the work and has deferred the relocation of Feeder 23W-302 until 2011.

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Request IR-5:

In its submission NSPI states: "The variance between ACE 2010 and the revised submission is due to the estimate being updated since ACE 2010". Please compare the costs estimates for Contracts, Labour and Materials, and comment on each of the variances.

Response IR-5:

Account	ACE 2010 Estimate (\$)	Filing (\$)	Variance from ACE (\$)
Labour (Reg & OT)	241,632	94,460	(147,172)
Contracts	202,012	433,866	231,854
Materials	238,922	158,296	(80,626)

Following a detailed project scope, NSPI has elected to contract a larger portion of the work involved to an affiliate than was originally forecasted and to defer Feeder 23W-302 until 2011. This change reflects decreases in NSPI labour and material costs and increases contract costs.