



Nova Scotia Utility and Review Board

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October 29, 2010

By E-mail and Courier

Ms. Lee Thomson-Lutz
Manager, Capital
Nova Scotia Power Inc.
14th Floor, Barrington Tower
Halifax, NS B3J 2W5

Dear Ms. Thomson-Lutz:

**NSPI Request for Approval of 2010 ACE Plan Work Order Less Than \$1 Million (P-128.10):
CI # 38900 - Opsym - Incumbent Generation Dispatch Modeling Tool - Matter No. M03433**

The Board has reviewed Nova Scotia Power Inc.'s ("NSPI") letter dated and received on July 30, 2010, requesting Board approval for the following **confidential** 2010 ACE Plan Work Order less than \$1 million:

CI # 38900 Opsym - Incumbent Generation Dispatch Modeling Tool \$959,107

The current cost estimate for this project of \$959,107 represents a slight reduction from the amount of \$988,123, which was included in the 2010 ACE Plan.

As a part of the 2010 ACE Plan review, Board staff issued Information Requests ("IRs") related to the above project on February 5, 2010, and NSPI's responses were received on March 5, 2010. In its 2010 ACE Plan Order issued on May 11, 2010 the Board advised NSPI that approval for this capital item was withheld until NSPI submits a request for approval and provides the Board with the appropriate justification.

NSPI's approval request includes a breakdown of the revised project cost estimate of \$959,107, a copy of a License Agreement with Ventyx Software Inc., and a copy of the Statement of Work, agreed between Ventyx and NSPI, effective May 3, 2010. Board staff issued additional IRs on September 20, 2010, to which responses were received on September 28, 2010.

The Board has considered NSPI's request in this matter and additional information filed by NSPI in response to Board staff IRs. The Board understands that the purpose of this project is to replace the software dispatch modeling tool Opsym, which is no longer supported, with new Ventyx's Energy Portfolio Management software "Generation Operations". The Board also understands that the new, advanced software should allow modelling of the combined cycle gas turbine plants, wind resources, operating revenues, and transmission, and hence, a more efficient dispatch of NSPI's generation facilities and increase the productivity.

The Board accepts, as filed, the portions of the work order that are marked confidential.

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 \$959,107 with respect to this Work Order.

Yours very truly,

A handwritten signature in cursive script, appearing to read "M. Doehler", written in black ink.

Murray E. Doehler, CA, P.Eng.
Member

cc Eric Ferguson, Director Regulatory Affairs

By e-mail