



Nova Scotia Utility and Review Board

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November 5, 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 Greater Than \$1 Million:
CI # 28752 - LM 6000 - Overhaul Tuft's Cove #5 Engine (P-128.10 / Matter No. M03507)**

The Board has reviewed Nova Scotia Power Inc.'s ("NSPI") letter dated and received electronically on September 2, 2010 (a hard copy received on September 8, 2010), requesting Board approval for the following **confidential** 2010 ACE Plan capital item greater than \$1 million:

CI # 28752 LM 6000 - Overhaul Tuft's Cove #5 Engine \$2,532,039

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.

The application indicates that the project cost is \$1,045,809 higher than the amount stated in the approved 2010 ACE Plan. NSPI has provided adequate justification for the increase in the cost of the project.

The Board has carefully considered NSPI's request in this matter and additional information filed by NSPI in response to Board staff IRs. The Board understands that the proposed work is necessary in order to provide for the safe and reliable operation of the Tuft's Cove Unit 5. The Board also understands that delay of this project would significantly increase the risk of unscheduled outages and could cause extensive damage to the unit.

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 \$2,532,039 with respect to this Work Order.

Yours very truly,

A handwritten signature in black ink, appearing to read "Roberta J. Clarke".

Roberta J. Clarke, Q.C.
Member

Enclosure

cc Eric Ferguson, Director Regulatory Affairs

By e-mail