



Nova Scotia Utility and Review Board

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January 10, 2011

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 # 38857 - L7004 Deteriorated Replacements - P-128.10 / Matter No. 03508**

The Board has reviewed Nova Scotia Power Inc.'s ("NSPI") application dated and received on September 2, 2010, requesting Board approval for the following **confidential** 2010 ACE Plan Work Order greater than \$1 million:

CI # 38857 L7004 Deteriorated Replacements \$2,467,028

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 response to these IRs is attached to the current application. Board staff issued further IRs on November 2, 2010, to which a response was received by the Board on November 16, 2010.

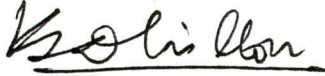
The Board has considered NSPI's request in this matter and additional information filed by NSPI in response to Board staff IRs. The Board understands that this Work Order covers the cost to replace deteriorated equipment on approximately 335 structures on transmission line L7004.

The application indicates that the project cost is \$226,953 higher than the amount budgeted in the approved 2010 ACE Plan. The Board notes that NSPI has provided adequate justification for the increase in the cost of the project.

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

The Board agrees 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 \$2,467,028 with respect to this Work Order.

Yours very truly,

A handwritten signature in black ink, appearing to read "Kulvinder S. Dhillon", written over a horizontal line.

Kulvinder S. Dhillon, P.Eng.
Member

cc Eric Ferguson, Director Regulatory Affairs

By e-mail