



Nova Scotia Utility and Review Board

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September 14, 2010

By email only: lee.thomson-lutz@nspower.ca

Ms. Lee Thomson-Lutz
Manager, Capital
Nova Scotia Power Inc.
14th Floor, Barrington Tower
P. O. Box 910, Scotia Square
Halifax, NS B3J 2W5

Dear Ms. Thomson-Lutz:

Nova Scotia Power Inc. – CI#34622 Upgrade L-8002 (3rd set of IRs) - P-128.10

On July 2, 2010 NSPI withdrew its April 30, 2010 work order application for CI#34622. At that time, NSPI chose not to respond to the second set of Board Staff Information Requests ("IRs") #11 to #19 dated June 3, 2010. NSPI subsequently resubmitted its application dated September 2, 2010 for approval of CI#34622. The following is a further third set of IRs for this project, some of which are repeated from the second set.

IR-20: In the application dated September 2, 2010 on page 2 of 7, NSPI states that there will be 28 structures replaced. On page 7 of 7, NSPI states that this project now consists of 48 poles being replaced on 24 structures.

- i) Please confirm which number of structures noted in this application is correct and explain the reason for any change from the original submission.

IR-21: On page 4 of 7, NSPI states that increased ground clearance will be achieved by installing new structures at mid span and raising other structures.

- i) Please identify the number of new structures to be installed mid-span and the number of structures being raised.
- ii) Please explain if any of those "new" or "raised" structures are included in the number of "replaced" structures noted on pages 2 and 7.

IR-22: On page 4 of 7, NSPI states that this work is being completed by NSPI and an affiliate. In its response to IR-1 dated May 31, 2010, NSPI states that NSPI personnel **may work** on structure replacements.

- i) Please confirm if NSPI personnel will work on structure replacements and explain the extent of this NSPI work; (e.g. staffing, duration, specific activities, etc.)
- ii) Please describe the level of NSPI supervision provided on this project.

IR-23: The project estimate indicates that \$1,022,592 will be spent during 2010 and \$1,200,047 will be spent during 2011.

- i) Please identify the geographic area of work activity and the number of new, raised, or replaced structures for each year.
- ii) Please provide a detailed cost breakdown for each year.
- iii) Is any portion of this work being completed under energized conditions? If not, please explain.

IR-24: The work order application identifies an estimated start date of 2010-09 and an estimated in-service date of 2011-11.

- i) Please provide the work schedule for 2010 and 2011.

IR-25: In its response to ACE 2010 IR-T11 b), NSPI stated that the total amount budgeted (i.e. \$1,658,189) is sufficient to complete the project. However, the current work order application now requests approval of \$2,222,639 to complete this project.

- i) Please provide a detailed explanation to account for this 34% increase.
- ii) Please reconcile this increased cost estimate with NSPI's statement on page 5 of 7 that additional work was included in 2011 which was originally omitted from the ACE 2010, and its subsequent statement on page 7 of 7 that the project now consists of fewer structure replacements.

IR-26: In its response to IR-8 dated May 31, 2010 NSPI stated that the 2009 portion of work on L-8002 was completed at a lower cost than had been budgeted as a result of actual material and contract costs being less than budgeted.

- i) Please provide a detailed explanation describing specific factors that contributed to this variance. Why were the material and contract costs lower?

IR-27: Referencing NSPI's response to IR-2 dated May 31, 2010 please provide NSPI inspection reports for work completed on CI#33542 which justifies each of the contractor invoice payments.

IR-28: Page 7 of 7 states that the contractor cost is based on an hourly rate of \$█/hr. However, page 6 of the April 30, 2010 submission states the rate to be \$█/hr.

- i) Please explain why this hourly rate has changed.
- ii) What is the estimated number of hours for this project?
- iii) Please itemize all components and activities included in the contractor rate.
- iv) Please confirm that \$█/hr is the EUS contract rate or reconcile the difference.

IR-29: Regarding NSPI's account listing for T&D Regular Labour (No AO) – 085 Design for this project, NSPI's estimated costs for this sub-account are as follows:

ACE 2010 submission:	\$ -	(page 6 of 7 September 2, 2010)
April 30, 2010 submission:	\$ 10,000	(page 3)
September 2, 2010 submission:	\$ 40,000	(pages 3 and 6 of 7)

- i) Please explain the factors contributing to the changes in estimated design costs.

Contact Person: **Mr. Steve Pronko, P. Eng.**
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Responses are to be filed on or before **September 29, 2010**. The Board requires an electronic copy followed by three hard copies.

Yours truly,



Nancy McNeil
Regulatory Affairs Officer/Clerk

c Eric Ferguson, Director, Regulatory Affairs, NSPI

By email