



Nova Scotia Utility and Review Board

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November 2, 2010

By email: 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:

**NSPI Request for Approval of 2010 ACE Plan Work Order Greater Than \$1 Million:
CI # 38856 - L7011 Deteriorated Replacements (P-128.10 / Matter No. 03511)**

Please respond to the following Information Requests ("IRs") related to the above-noted confidential work order:

- IR - 1** According to the information submitted with the approval request, the work associated with this capital item had been completed. Please provide the actual activation and completion dates for this project.
- IR - 2** Provide an invoice, a quotation and/or other cost support associated with the cost estimate for Materials in the amount of \$312,000. The information should include unit costs and quantities for all major items, such as poles, crossarms, insulators, etc.
- IR - 3** On page 5 of the approval request NSPI states:

This capital item increased by \$451,333 from ACE 2010 due mainly to increased contract costs and associated administrative overhead. The change in contracts is due to a refinement of the original estimate. There has been no change in project scope.

Could you please elaborate on "a refinement of the original estimate"?

- IR - 4** In its application request (page 4) NSPI states that "this work is being completed by an affiliate":
- Please explain the decision to outsource this work.
 - Please explain the decision to award the contract to the affiliate.
 - Does the decision to award this contract to the affiliate comply with all the requirements of the Code of Conduct? Please elaborate.

IR - 5 Based on Attachment 1 of NSPI's response to IR-T1, filed in support of the 2010 ACE Plan approval request on March 5, 2010, it appears that the estimated cost for affiliate work of \$1,005,048 implies an hourly rate of \$170. In the same response NSPI states that the estimated cost "is based on the line services agreement (2008-2010)". Page 7 of the approval request states that the "Contract estimate of \$1,354,194 is based on a rate of \$190/hour:

- a) Please explain the difference in hourly rates.
- b) What is the estimated number of hours for this project?

Contact Person: **Branko Zatezalo, P. Eng.**
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Responses are to be filed on or before **Tuesday, November 16, 2010**. The Board requires an electronic copy followed by **three** hard copies.

Yours truly,



Nancy McNeil
Regulatory Affairs Officer/Clerk

cc Eric Ferguson, Director Regulatory Affairs

By e-mail