



Nova Scotia Utility and Review Board

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February 15, 2010

By E-mail and Courier

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

Dear Ms. Thomson-Lutz:

Nova Scotia Power Inc. – Fourth Quarter 2010 Capital Items and Capital Reports – Request for Approval – CI# 38724 – TRE5 Superheater, Reheater and Boiler Upgrades – P-128.10/M03621)

The Board has reviewed NSPI's letter dated October 15, 2010 (hard copy received on October 18, 2010), requesting Board approval of the following **confidential** work order:

CI# 38724 – TRE5 Superheater, Reheater and Boiler Upgrades	\$796,383
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Information Requests were issued by the Board on December 21, 2010, and responses were received on January 12, 2011.

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

This capital expenditure, in the amount of \$1,549,614, was part of the 2010 ACE Plan. By Order dated May 11, 2010, the Board withheld approval of this capital expenditure, *inter alia*, until NSPI submitted a separate request for approval and provided the Board with appropriate justification.

The Board understands that the decrease in the amount requested results from a reduction in the projected scope of the work. The project developed from the 2006 Life Extension Study of Trenton Unit #5. That study had recommended replacement of the secondary superheater (SSH), reheater (RH) and boiler drain system, including other associated work. More recent inspections showed that the scope of the work was less than anticipated, and that the replacement of the blowdown tank and drains could be deferred.

The Board understands that replacement of the proposed components is justified on the basis of prevention of unplanned outages. The Board further understands that the project was timed to coincide with a planned steam turbine outage in 2010.

Based on the information provided by NSPI, the Board accepts that the project is reasonable and the cost is justified. Accordingly, this will confirm that the Board has approved NSPI's request in the amount of \$796,383 with respect to this work order.

Yours very truly,

A handwritten signature in dark ink, appearing to read "Roberta J. Clarke". The signature is fluid and cursive, with a large initial "R" and a long horizontal stroke at the end.

Roberta J. Clarke, Q.C.
Member

cc: Eric Ferguson, Director, Regulatory Affairs

By Email