

January 27, 2011

Ms. Nancy McNeil
Regulatory Affairs Officer/Clerk
Nova Scotia Utility and Review Board
3rd Floor, 1601 Lower Water Street
P.O. Box 1692, Unit "M"
Halifax, NS B3J 3S3

Re: **CI 38110 – 2010 Transmission Line Insulator Replacement - Responses to Information Requests (IRs) P-128.10**

Dear Ms. McNeil:

Enclosed are the IR responses pertaining to the capital item referenced above. These IRs were received on December 22, 2010.

Regards,


Lee Thomson-Lutz, MBA, CMA
Manager, Capital

Encl.

CI 38110 – 2010 Transmission Line Insulator Replacement (NSUARB P-128.10)
NSPI Responses to UARB Information Requests

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Request IR-1:

Please provide the following information by circuit

(a) a tabulation of the number of insulators and number of wood poles replaced in 2010

(b) the total length of overhead conductor replaced in 2010

Response IR-1:

(a) The number of insulators replaced to date on each circuit is as follows:

Line Number	Location	Number of Insulators Replaced	Status
L-5028	Onslow to Stewiacke	2961	+/- 70% Complete
L-5040	Onslow to Tatamagouche	3008	+/- 70% Complete
L-5053	Michelin to Tremont	1568	100% Complete
L-5560	VJ to Townsend	588	100% Complete
L-5563	VJ to Townsend	246	+/- 80% Complete

Two poles and three crossarms have been changed out to date.

(b) The budget related to the overhead conductor replacement was included in the project estimate as a contingency. It was determined that no overhead conductor was required for replacement for this project.

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Request IR-2:

Please explain why three of the five circuits that showed no failures over the 2003 through 2009 period were included in the 2010 program.

Response IR-2:

There were no failures on three of the five circuits, however the insulators are the type that have been known to exhibit cement growth and NSPI made a decision to be proactive and replace these insulators before failures occur.

As indicated in NSPI's response to ACE 2010 IR-T4(d), the prioritization process is based on customer reliability and system security issues related to unplanned outages to the backbone transmission circuits and the associated risk to the remainder of the system.

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Request IR-3:

Please provide the following information by circuit

(a) Estimated labor and material costs from 2010 ACE

(b) Actual labor and material costs

(c) Variance in labor and material costs from estimate and reasons for same

Response IR-3:

(a-c)

Description	Budget Estimate ACE 2010 (\$)	Project Estimate (Oct 15/10) (\$)	Variance From ACE 2010 (\$)
Labour	35,000	125,444	90,444
Contracts	1,726,800	919,419	(807,381)
Materials	700,000	775,061	75,061

The labour and material budgets for all of the circuits were estimated for the total project and are not available by individual circuits. However, the approximate percentage breakdown of the project by circuit is as follows:

Line Number	Percentage Complete (%)
L-5028	30
L-5040	29
L-5053	20
L-5560	11
L-5563	10

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Response IR-3: (cont'd)

The project is ongoing, with an expected completion date of July 2011. Actual labour and material costs to date are as follows:

Description	Actual Costs To Date (Dec 31/2010) (\$)
Labour	143,943
Contracts	796,882
Materials	182,663

Although the project is not yet complete, it is anticipated that the total material cost will be lower than ACE 2010 due to fewer insulators and less conductor requiring replacement than originally anticipated. In addition, one less line than originally planned has been included in the 2010 program.

The reassignment of labour between NSPI labour and contractor labour has resulted in increased NSPI labour costs and decreased contract costs.

Variances from the project estimate will be addressed when NSPI submits this item for final cost approval.

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Request IR-4:

Please describe the average age of insulators that are being replaced as part of this program.

Response IR-4:

The average age of the insulators being replaced as part of the 2010 program is as follows:

Line Number	Average Age of Insulators (Years)
L-5028	46
L-5040	46 & 51
L-5053	59
L-5560	61
L-5563	61