



Nova Scotia Utility and Review Board

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February 18, 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:

**Nova Scotia Power Inc. - CI# 38110 – 2010 Transmission Line Insulator Replacement -
(P-128.10/MO3622)**

The Board has reviewed Nova Scotia Power's ("NSPI") letter dated and received on October 15, 2010, requesting Board approval of the following **confidential** Work Order:

CI# 38110	2010 Transmission Line Insulator Replacement	\$2,236,148
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Information Requests were issued by Board staff on December 22, 2010, and responses were received on January 27, 2011.

The Board accepts, as filed, the portions of the Work Order that are marked confidential.

This capital expenditure was part of the 2010 ACE Plan in the amount of \$2,962,648. By Order dated May 11, 2010, the Board withheld approval of this capital expenditure being more than one million dollars, 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 is due to the use of NSPI internal staff rather than contract labour to perform the project and reducing the replacement of insulators on five circuits rather than six circuits.

The Board understands that this project will provide reliability benefits through proactive replacement of insulators, with a known characteristic of failure, to avoid unplanned customer outages.

The Board is satisfied 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 \$2,236,148 with respect to this Work Order.

Yours very truly,

A handwritten signature in dark ink, appearing to read "K. Dhillon", is written over a horizontal line.

Kulvinder S. Dhillon, P.Eng.
Member

c.c. Eric Ferguson, Director Regulatory Affairs

By e-mail