



Nova Scotia Utility and Review Board

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February 18, 2011

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

By E-mail and Courier

Dear Ms. Thomson-Lutz:

**Nova Scotia Power Inc. - Fourth Quarter 2010 Capital Items and Capital Reports –
Request for Approval to Overspend ("ATO") - CI# 38943 – LIN1 Boiler Refurbishment –
(P-128.10/M03626)**

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

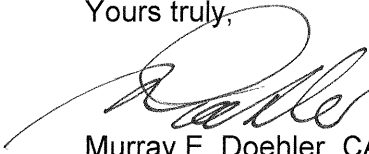
	<u>Approved Amount</u>	<u>ATO Amount</u>	<u>New Approved Amount</u>
CI# 38943 – LIN1 Boiler Refurbishment	\$ 501,583	\$1,157,009	\$1,658,592

The above-noted Work Order was originally approved by the Board on May 11, 2010 in the amount of \$501,583 as part of the 2010 ACE Plan. The Board understands that the increase in costs is attributable to an expansion in the projected scope of work which came about as a result of internal boiler inspections conducted after the 2010 ACE approval.

It is of concern to the Board that the under-scoping of this project was because the non-destructive testing (NDT) did not detect the full extent of the required work. NSPI may want to consider reviewing its NDT protocols to see if the accuracy of them could be improved.

The Board has reviewed NSPI's request and is satisfied that in this case, the over-expenditure is warranted. Accordingly, the Board approves the request for an increase of \$1,157,009 in the cost of the above-noted Work Order.

Yours truly,

A handwritten signature in black ink, appearing to read "M. Doehler", written over a horizontal line.

Murray E. Doehler, CA, P.Eng.
Member

c.c. Eric Ferguson, Director Regulatory Affairs

By e-mail