



Nova Scotia Utility and Review Board

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December 22, 2010

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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:

NSPI Request for Approval of Unforeseen and Unbudgeted ("U&U") Work Order Less Than \$1 Million: CI # 39406 - U&U Dickie Brook Unit #1 (P-510 / Matter No. M03714)

The Board has reviewed Nova Scotia Power Inc.'s ("NSPI") letter dated and received electronically on November 24, 2010 (a hard copy received on November 30, 2010), requesting Board approval for the following **confidential** U&U capital item less than \$1 million:

CI # 39406 U&U Dickie Brook Unit #1 \$601,706

The Board understands that the flooding of the Dickie Brook powerhouse, resulting from a storm surge in January 2010, caused considerable damage to the rotor, stator, shafts, and other components of the Unit #1. The repairs had to be completed in order to return the Unit into operation. In addition, following an inspection of the penstock and the draft tube, NSPI decided to repair sections of these components while the unit is out of service. The Board also understands that a delay of this additional work could cause forced outages, resulting in lost generation and replacement energy costs.

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

The Board agrees that this project is necessary and the corresponding cost is justified. Accordingly, this will confirm that the Board has approved NSPI's request for the amount of \$601,706 with respect to this Work Order.

Yours very truly,

A handwritten signature in black ink, appearing to read "Roberta J. Clarke".

Roberta J. Clarke, Q.C.
Member

cc Eric Ferguson, Director Regulatory Affairs

By e-mail