



Nova Scotia Utility and Review Board

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July 15, 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:

**NSPI Request for Approval of 2010 ACE Plan Work Order Greater Than \$1 Million:
CI # 34843 - Oracle NLA License (P-128.10 / Matter No. M03717)**

The Board has reviewed Nova Scotia Power Inc.'s ("NSPI") application dated and received electronically on November 24, 2010 (a hard copy received on November 30, 2010), requesting Board approval for the following **confidential** 2010 ACE Plan Work Order greater than \$1 million:

CI # 34843	Oracle NLA License	\$1,016,000
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As a part of the 2010 ACE Plan review, Board staff issued Information Requests ("IRs") related to the above project on February 5, 2010, and NSPI's responses were received on March 5, 2010. In its 2010 ACE Plan Order issued on May 11, 2010 the Board advised NSPI that approval for this capital item was withheld until NSPI submits a request for approval and provides the Board with the appropriate justification.

NSPI's approval request in the amount of \$1,016,000 represents a slight increase from the amount of \$1,010,430, which was included in the 2010 ACE Plan. The submission includes a copy of the "Oracle Technology Global Price List", dated October 1, 2009. Board staff requested additional information on January 13, 2011, and February 15, 2011, to which NSPI's responses were received by the Board on January 27 and Jun 10, 2011, respectively.

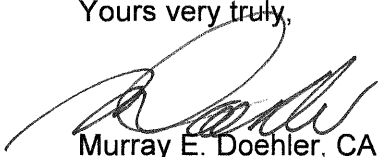
The Board has considered NSPI's request in this matter and additional information filed by NSPI in response to Board staff IRs. The Board understands that this capital expenditure covers the cost to obtain the Network License Agreement ("NLA") license from the software provider Oracle. The Board also understands that the new license is required for NSPI's Outage Management System database, which has been increasingly interfaced with a number of applications and data sources.

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

The Board notes that NSPI had engaged Miro Consulting to assist them in determining a cost effective strategy to meet all licensing requirements. In the consultant's report they identified various areas of cost avoidance, with some possibilities of savings. The Board also notes the recommendation to regulate a worldwide usage concession. The Board does not see any value to ratepayers for this concession if it involves an extra cost.

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 \$1,016,000 with respect to this Work Order. This is on the understanding that a final costing approval, including a reconciliation to Miro Consulting's recommendations, will be submitted to the Board.

Yours very truly,



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

cc Eric Ferguson, Director Regulatory Affairs

By e-mail