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April 16, 2012

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

Re: **2010 ACE Plan Work Order Greater Than \$1 Million: CI # 34843 - Oracle NLA License (P-128.10 I Matter No. M03717)**

Dear Ms. McNeil:

In its letter of January 18, 2012, the UARB stated the following:

On July 15, 2011, the Board approved the above capital expenditure request for the amount of \$1,016,000, on the understanding that a final costing approval, including a reconciliation to Miro Consulting's recommendations, will be submitted to the Board.

Please provide the Board with a status update on this direction.

Per NS Power's letter of June 10, 2011, Miro Consulting's recommendations provided the following confidential cost estimates. This cost estimate included both operating and capital expenses.

Table removed due to confidentiality

The reconciliation between these costs and those actually incurred by NS Power is provided below. Supporting details are provided in Confidential Attachment 1.

Miro Consulting Inc. Oracle Software License Review		Actual NS Power CI 34843 Oracle NLA License	
Total- List License/ List Support	\$ [REDACTED]	Total- List License/ List Support	\$ [REDACTED]
Total- Net License/ Net Support	\$ [REDACTED]	Actual Invoice Amount	\$ [REDACTED]

Estimated Total Net License &
First Year Annual Support Cost
of Compliance Items (GSA
Maximum Discount)

32%

Actual Total Net License &
First Year Annual Support
Cost of Compliance Items
(Discount Achieved)

32%

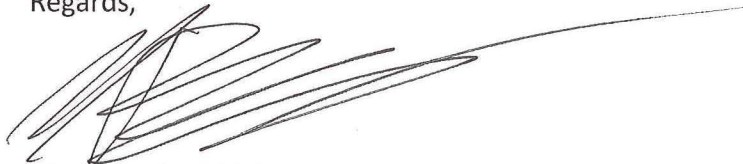
Please note that the capital expenditures associated with the purchase of the Oracle Programs total \$[REDACTED], as noted with an * next to the expenditures listed on the invoice provided in Confidential Attachment 1.

This project will be completed in 2012 and a final cost application will be provided shortly after completion.

To protect value for customers and mitigate the risk of prospective proponents having access to this information, cost details and estimates are confidential.

The more a supplier is aware of NS Power's specific requirements, the better their ability to obtain the highest price, reduce competition and ultimately increase the cost for NS Power and its customers. The cost of such transparency is not always immediately evident. Information from regulatory proceedings can provide competitive advantages over other suppliers, and that could be advantageous in bidding or negotiation. Higher prices, or avoidable contractual constraints, will result in unnecessary higher costs to customers.

Regards,



Mark Peachey, LL.B
Manager, Capital Filings

c. Eric Ferguson
Lee Thomson-Lutz