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Nova Scotia
Utility and Review Board

CI# Various

Distribution Routines (2009)

NON-CONFIDENTIAL

January 29, 2010


NOVA SCOTIA
POWER
An Emera Company

UARB APPROVAL SHEET

Project Title: **Distribution Routines (2009)**

CI Number: Various

Capital Project Authorization

Head Office Use:

ATO

Project Number: Various

Final Cost

Date : January 29, 2010

Expenditure Profile			Schedule	
Routine	Budget Estimate	Actuals		
New Customers	19,434,155	20,339,541	Estimated Start Date	2009-01
Distribution Upgrades and Replacement	16,450,003	20,025,282	Estimated In-Service Date	2009-01
Joint Use	700,000	1,066,652	Estimated Close Date	2009-12
Right-of-Way Widening	300,000	303,981		
Total	\$36,884,158	\$41,735,456		

COMMENTS

Distribution Routines

Actuals vs ACE for the year ending December 31, 2009

	2009 Activated Amount	2009 Actuals	Variance
<i>New Customers</i>	\$19,434,155	\$20,339,541	\$905,386
<i>Distribution Upgrades and Replacement</i>	16,450,003	20,025,282	\$3,575,279
<i>Joint use</i>	700,000	1,066,652	\$366,652
<i>Right-of-Way Widening</i>	300,000	303,981	\$3,981
	\$36,884,158	41,735,456	\$4,851,298

Submitted on behalf of NOVA SCOTIA POWER INCORPORATED

Approved on behalf of NOVA SCOTIA UTILITY AND REVIEW BOARD



Jan 28/2010

Authorized Signatory
Mark Savory
VP Technical and Construction

DATE

DATE

UARB APPROVAL SHEET

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- Capital Project Authorization
 ATO
 Final Cost

Head Office Use:
 Project Number: Various
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COMMENTS

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Variance Explanation - New Customers

The New Customer routine variance is due to the line extension component of increased wireless tower installations. The majority of these installations were less than 92 metres resulting in costs to Nova Scotia Power Inc. with no contribution required from the customer. This is in compliance with NSPI's Rates and Regulations guidelines of the free 92 metre allowance. Distribution Spares increased due to a repair of an existing transformer to be used as a system spare.

Variance Explanation - Distribution Upgrades and Replacement

This variance is due mainly to more reactive failures, +\$800K, more regulatory replacement work, +\$1M, reduced storm activity (-\$300K) and additional proactive plant replacement in D055, +\$500K. The additional \$1.575M was attributed to field driven reliability work across the province. Examples of this work included the replacement of deteriorated poles, crossarms, anchor and guy installations, inline switches, reframing/resagging, and some insulator/conductor replacements.

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Variance Explanation - Joint Use

The Joint Use variance is due to volume increases over budgeted amounts from Aliant.

Variance Explanation - Right-of-Way Widening

This variance is due to additional work.

**Customer Operations - Capital Spending
Unit Cost
Provincial Summary
As of December 31, 2009
New Customers**

Provincial - D002

of Units
Avg Unit Cost / Customer (\$) excl. Cap. Contribution
Total Cost excluding Cap. Contribution
Capital Contributions
Total Net Forecast

	Actual	YTD 2009 ACE	Var
# of Units	59	75	(16)
Avg Unit Cost / Customer (\$) excl. Cap. Contribution	27,253	23,764	3,489
Total Cost excluding Cap. Contribution	1,607,944	1,782,319	(174,374)
Capital Contributions	(16,740)	(89,117)	72,377
Total Net Forecast	1,591,204	1,693,202	(101,998)

Provincial - D004

Total Cost excluding Cap. Contribution
Capital Contributions
Total Net Forecast

	Actual	YTD 2009 ACE	Var
Total Cost excluding Cap. Contribution	5,733,880	5,100,000	633,881
Capital Contributions	(694,260)	(400,000)	(294,260)
Total Net Forecast	5,039,620	4,700,000	339,620

D004 as a % of D016, D017 & D022 Incl. contribution

	50%	43%	7%

Provincial - D016

of Units
Avg Unit Cost / Customer (\$) excl. Cap. Contribution
Total Cost excluding Cap. Contribution
Capital Contributions
Total Net Forecast

	Actual	YTD 2009 ACE	Var
# of Units	1,572	2,100	(528)
Avg Unit Cost / Customer (\$) excl. Cap. Contribution	549	504	44
Total Cost excluding Cap. Contribution	862,474	1,058,848	(196,374)
Capital Contributions	(51,387)	(52,942)	1,555
Total Net Forecast	811,087	1,005,906	(194,820)

Provincial - D017

of Units
Avg Unit Cost / Customer (\$) excl. Cap. Contribution
Total Cost excluding Cap. Contribution
Capital Contributions
Total Net Forecast

	Actual	YTD 2009 ACE	Var
# of Units	3,825	4,200	(375)
Avg Unit Cost / Customer (\$) excl. Cap. Contribution	2,374	2,210	164
Total Cost excluding Cap. Contribution	9,078,695	9,280,000	(201,305)
Capital Contributions	(139,917)	(180,000)	40,083
Total Net Forecast	8,938,778	9,100,000	(161,222)

Provincial - D018

Total Cost excluding Cap. Contribution
Capital Contributions
Total Net Forecast

	Actual	YTD 2009 ACE	Var
Total Cost excluding Cap. Contribution	163,396	150,000	13,396
Capital Contributions	-	-	-
Total Net Forecast	163,396	150,000	13,396

Provincial - D021

Total Line Extension Metres Installed
Avg Unit Cost / Metre
Total Cost excluding Cap. Contribution
Rebates
Capital Contributions
Total Net Forecast

	Actual	YTD 2009 ACE	Var
Total Line Extension Metres Installed	98,351	100,000	(1,649)
Avg Unit Cost / Metre	55	49	6
Total Cost excluding Cap. Contribution	5,440,485	4,873,108	567,377
Rebates	998,857	862,000	136,857
Capital Contributions	(2,933,556)	(3,735,108)	801,552
Total Net Forecast	3,505,786	2,000,000	1,505,786

Definitions

This item provides for the cost to add large customers requiring primary service installations to the electrical distribution system

This item provides for the replacement of transformers and the upgrading & replacement to the distribution system of primary and service conductors.

This item provides for the costs associated with the connection of new customers (Metered Service Drops) served at a distribution level.

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This item covers the costs for spare equipment purchases in the even of equipment failures.

This item provides for the costs associated with the connection of new customers (Primary Line Extensions) served at a distribution level.

	Actual	YTD 2009 ACE	Var
Provincial - D022			
# of Units	256	500	(244)
Avg Unit Cost / Customer (\$) excl. Cap. Contribution	1,843	2,769	(927)
Total Cost excluding Cap. Contribution	471,706	1,384,705	(912,998)
Rebates	34,440	65,000	(30,560)
Capital Contributions	(216,476)	(664,658)	448,182
Total Net Forecast	289,671	785,047	(495,376)
New Customers Totals	20,339,541	19,434,155	905,386

This item provides for the costs associated with the connection of new customers (Underground Services) served at a distribution level.

Distribution Upgrades and Replacement

	Actual	YTD 2009 ACE	Var
Provincial - D005			
# of Mandays	3,357	3,434	(77)
Avg Manday Cost Incl. Cap. Contribution	2,031	1,747	284
Total Net Forecast	6,818,205	6,000,000	818,205

This item provides for costs associated with reactive replacement of deteriorated plant due to failure.

	Actual	YTD 2009 ACE	Var
Provincial - D006			
# of Units	-	-	-
Avg Unit Cost / Customer (\$) excl. Cap. Contribution	-	-	-
Total Cost excluding Cap. Contribution	1,870,388	701,794	1,168,594
Capital Contributions	(169,200)	-	(169,200)
Total Net Forecast	1,701,188	701,794	999,394

This item is associated with regulatory replacements requested through regulatory entities ie: Dept of Transportation highway moves

	Actual	YTD 2009 ACE	Var
Provincial - D008			
# of Units	-	-	-
Avg Unit Cost / Customer (\$) excl. Cap. Contribution	-	-	-
Total Cost excluding Cap. Contribution	1,552,553	1,883,247	(330,694)
Capital Contributions	-	-	-
Total Net Forecast	1,552,553	1,883,247	(330,694)

This item provides for replacement of plant during storm events on the distribution system.

	Actual	YTD 2009 ACE	Var
Provincial - D051			
Total Cost excluding Cap. Contribution	407,015	390,000	17,015
Capital Contributions	-	-	-
Total Net Forecast	407,015	390,000	17,015

This item provides for modifications or additions to the distribution system to maintain load and voltage standards.

	Actual	YTD 2009 ACE	Var
Provincial - D055			
# of Mandays	5,105	4,403	702
Avg Manday Cost	1,870	1,698	172
Total Net Forecast	9,546,321	7,474,962*	2,071,359

This item provides for costs associated with deteriorated plant replacements identified through the inspection process.

	Actual	YTD 2009 ACE	Var
Distribution Upgrades and Replacements Total	20,025,282	8,975,041	3,575,279

* D055 ACE amount includes the Board approved ATO of \$974,962

Joint Use

Provincial - D007

	Actual	YTD 2009 ACE	Var
# of Units	-	-	-
Avg Unit Cost / Customer (\$) excl. Cap. Contribution	-	-	-
Total Cost excluding Cap. Contribution	1,793,991	900,000	893,991
Capital Contributions	(727,343)	(200,000)	(527,343)
Total Net Forecast	1,066,648	700,000	366,647

This item is associated with joint use requests from communication utilities.

Right-of-Way Widening

Provincial - D010

	Actual	YTD 2009 ACE	Var
Total Cost excluding Cap. Contribution	303,981	300,000	3,981
Capital Contributions	-	-	-
Total Net Forecast	303,981	300,000	3,981

This item is associated with right-of-way widening as per Department of Highways.

* D055 ACE amount includes the Board approved ATO of \$974,962



Nova Scotia Utility and Review Board

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September 14, 2009

By Fax: 428-6542 and Courier

Mr. Bob Boutilier, P. Eng.
Director, Regulatory Affairs
Nova Scotia Power Inc.
14th Floor, Barrington Tower
PO Box 910, Scotia Square
Halifax, NS B3J 2W5

Dear Mr. Boutilier:

Nova Scotia Power Inc. - 2009 Reliability Driven Capital Items - Request for Approval to Overspend (ATO) - CI# Various - Distribution Routines (2009) - P-509

The Board has reviewed NSPI's letter dated and received May 29, 2009, in which Board approval is requested to overspend with respect to the following confidential work order:

	<u>2009 Activated Amount</u>	<u>2009 Forecast</u>	<u>Variance</u>
CI# Various - Distribution Routines	\$15,475,041	\$16,450,003	\$ 974,962

Board Staff issued Information Requests ("IRs") on July 17 and August 26, 2009, to which responses were received on July 30 and August 28, 2009, respectively.

The Distribution Routines (D055) in the amount of \$15,475,041 were originally approved by the Board on April 28, 2009, as a component of the 2009 ACE Plan. Based on the information given by NSPI, the Board understands that the \$974,962 increase in costs is to provide additional funding for the replacement of deteriorated plant which has, or is expected to, fail.

The Board notes that at the April 3, 2009 ACE Plan hearing, NSPI advised that requests for approval of capital projects, in addition to those included in the 2009 ACE Plan, would be filed with the Board in order to adequately address reliability issues. The Board understands that this project falls under that category.

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 \$974,962 in the cost of the above-noted Distribution Routines.

Yours very truly,



Margaret A. M. Shears, Q.C.
Vice-chair

Enclosure

c.c. Eric Ferguson, Senior Manager, Policy & Operational Projects
Lee Thompson-Lutz, Manager, Capital Program

By email
By email