

Nova Scotia Power Inc.
August 3, 2007

Mr. John Seelke
Manager of Planning
North American Electric Reliability Corporation (NERC)

Dear Mr. Seelke:

Nova Scotia Power Inc. agrees that there is value in the NERC TADS initiative to collect data on transmission element outages.

We also understand that several methodologies to calculate outage statistics are now being used across North America, consequently there is confusion and difficulty in comparing the results. The NERC initiative will bring some commonality to the indices that are published.

NSPI currently calculates similar outage statistics, based on rules set by the Canadian Electricity Association (CEA), however, the CEA data collection does not include planned outages as the NERC program will in the second year of its implementation.

Although the NERC initiative will result in many Canadian utilities providing data to feed two systems, because our regulators have become familiar with and have accepted the CEA approach, we believe that the extra work, with the NERC proposal as it is now scoped (with data collection limited to elements rated at 200 kV and up), will be minimal.

A concern that NSPI has is related to where NERC lands in its definition of the bulk power / electric system. If the BES definition is expanded to include all elements greater than 100 kV, will the TADS system also be expanded? If this is the case, the amount of work involved in feeding both the current system that we use, and also the NERC system will increase many times for NSPI, and we might want to reconsider our support of the NERC project.

NSPI would like to be on record as supporting the NPCC impact based approach to the BES definition, but strongly feel that NERC and the industry as a whole must resolve this issue soon.

Respectfully

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