

**B-65 Replace Diesel Unit 290 & Upgrade Fuel Storage System, Williams
Harbour, \$479,300**

Q. Has NLH undertaken a cost benefit analysis of the components of this project, and the overall project? If so, please provide a copy.

A. A cost benefit analyses has not been performed for the project components or for the overall project.

The decision to complete a fuel storage upgrade is based on the fact that the existing fuel storage is beyond repair, which would permit re-certification and must be replaced to ensure the fuel storage system will be compliant with environmental legislation and minimize the risk of a spill. The proposed project involves replacing four existing tanks and an earthen dyke with two ULC approved tanks with integral secondary containment. The resulting system will be compliant with environmental legislation.

The decision to replace Unit 290 is based on NLH's major overhaul/ replacement criteria. The unit is thirty years old, and had its fifth major overhaul in 2001. This unit will have accumulated the hours necessary to require its sixth overhaul in 2007.