

1 **Q. GENERATION HYDRO**

2
3 **PUB 38.0**

4 **B-7 Port aux Basques Fuel Tank Replacement**

5 **Is this project being carried out to meet regulatory requirements? If not, please**
6 **provide the economic rationale for why this project should be approved.**

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9 A. The proposal to replace the Port aux Basques fuel tank is based on responsible
10 environmental stewardship, and is not in response to a regulatory requirement. The
11 proposed replacement is not based on an economic rationale. The fuel tank is 18 years
12 old and is being replaced to reduce the risk of an oil spill.

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14 One of the Company's objectives under its ISO 14001 certified Environmental
15 Management Program is to incorporate the best available technology and upgrade all
16 self-dyked fuel storage tanks by December 31, 2007. As part of this objective, the
17 replacement of the Port aux Basques fuel tank was scheduled for 2006.

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19 Newfoundland Power is committed under its Environmental Management Program to
20 demonstrate continual improvement in environmental matters and to reduce all potential
21 high risk sources of pollution. Implementation of the Environmental Management
22 Program commenced in 1999, and ISO certification was achieved for the Company's
23 generation section in 2001.

24
25 In 1999, the Company reported 120 oil spills, of which 12 occurred in generation
26 facilities. In 2004, the number of spills Company-wide totaled 54, of which only 2 took
27 place in generation facilities.