Re: 2009 Capital Projects: $500,000 and Over p. B-2 - Holyrood Fuel Storage Facility

Q. At page B-3, NLH submits that the proposed upgrades will refurbish the "life of the facility for a further twenty years".

a) In the event Holyrood operates as a synchronous condenser following a HVDC infeed from the Lower Churchill Project, will the facility still consume any fuel and if so, approximately how much?

b) Why is this project classified as 'normal' rather than 'mandatory'?

c) Other than the Gasoline and Associated Products Regulations referenced at Volume II, Tab 1, Page 12, what other federal or provincial regulations have potential bearing on the issue of fuel storage at Holyrood, and is NLH currently in compliance with them?

d) Has NLH experienced oil leaks or spills from the Holyrood Tank Farm, and if so, when?

A. a) When Holyrood operates as a synchronous condenser, no fuel will be consumed by the plant for the generation of electrical energy.

b) The project has been classified as 'normal' because Hydro is following guidelines specified by the American Petroleum Institute (API) and the Gasoline and Associated Products Regulations (GAP). The work has not been described as 'mandatory' because there is no federal or provincial government legislation directly requiring this work to be done.

c) The National Fire Code of Canada is referenced in the GAP Regulations, Section 27, as applying to fuel storage tank systems. Part 4 of this code requires that the vegetation be removed from dykes containing fuel tanks. Upon completion of this project, Hydro will be in compliance with this requirement.

d) There have been no oil leaks or spills from the Holyrood Tank Farm.