Q. **C-22, Tab 10: Upgrade Fuel Oil Day Tank - Holyrood; $584,200**

In the report entitled: Upgrade Fuel Oil Day Tank, located in Volume II, Tab 10, Hydro states that:

> *"The American Petroleum Institute (API) recommends that tanks, such as the daytank at Holyrood, undergo an external inspection every five years and an internal inspection every ten years after its initial service date. The required inspection procedures are outlined in API Standard 653, Tank Inspection, Repair, Alteration, and Reconstruction. The day tank at Holyrood has not been inspected since 1998. Therefore, it is recommended that the tank undergo a full inspection that is in compliance with the API 653 standard in 2013."*

What is the purpose of the day tank and can it be by-passed, if necessary, for the remaining years of generation operations at the plant?

A. The purpose of the day tank at Holyrood is to store a small quantity of fuel in close proximity to the boilers. Storing fuel close to the boilers is important because it reduces the operational risk associated with the main fuel supply pipeline from the tank farm. If the main supply pipeline failed, the plant would still be able to generate full power for about six hours by consuming the fuel stored in the day tank. This allows a minimum six hour period of time to effect repairs in the event of a problem with the main line.

Under normal operation, fuel from the day tank is pumped directly to the boiler's burners. If required, the day tank can be bypassed so that the boilers are fed

directly from the tank farm by the main supply pipeline. However, operating through the bypass arrangement, with the day tank taken out of service, is not acceptable because loss of the main pipeline will result in a complete shutdown of plant operations. For this reason, the day tank is a critical component in the operation of the Holyrood plant and should remain in service for the remaining years of generation operation.