

1    Q.    **Project C-44: Increase Fuel Storage – Rigolet**

2            With reference to IC-NLH-37, if Hydro had completed this Project in 2013 or  
3            spring/summer 2014, would the portable 90,800 litre self-dyking fuel tank have  
4            been required? If no, why did Hydro delay in seeking Board approval to complete  
5            this Project during that period  
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8    A.    If this project had been completed in 2013 or spring/summer 2014, a portable  
9            90,800 litre self-dyking fuel tank would not have been required.  
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11           As a contingency, Hydro plans on temporarily installing an existing spare 22,950  
12           litre self-dyking fuel tank, currently located in Black Tickle, under the operating  
13           budget. This tank will have an available storage of 21,800 litres, providing the  
14           Rigolet diesel plant with approximately 596,000 litres of available fuel storage.  
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16           As part of the 2014 Isolated Systems Energy Efficiency Program, which is forecast to  
17           be completed in Rigolet by December, Hydro is looking to reduce energy  
18           consumption in Rigolet. It is projected that the energy consumption reduction due  
19           to this this program will result in a decrease of annual fuel consumption in Rigolet  
20           of approximately 44,000 litres<sup>1</sup>.  
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22           Currently, based on a revised fuel consumption forecast, Hydro is in violation of  
23           both the eight and nine-month winter fuel requirements for the 2014/2015 winter.  
24           The existing fuel storage capacity in Rigolet is approximately 574,000 litres, while  
25           the projected eight and nine-month winter fuel requirements are 598,000 and  
26           650,600 litres, respectively. However, Hydro anticipates that with the combination

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<sup>1</sup> This equates to approximately 155 MWh/year assuming an efficiency of 3.40 kWh/L

of the temporary tank and the energy efficiency program, the eight-month fuel requirement will be satisfied, and there will be enough additional storage to mitigate most risk associated with running out of fuel in Rigolet this coming winter.

Typically, from last fill up in early November to ice breaking up in mid-June, the winter season in which Rigolet is inaccessible by ocean lasts seven to 7.5 months. Hydro will have adequate storage for this typical time frame, but will require a contingency plan in case Rigolet experiences an abnormal winter. Hydro's contingency plan in the event that the diesel plant is in danger of running out of fuel is to arrange delivery of more fuel using the most practical form of transportation at that time. Depending on ice conditions, this could be by aircraft or snowmobile.

System reviews for the work included in the 2014 Capital Budget Application were completed in the summer/fall of 2012 and based on the 2012 Operating Load Forecast. Due to the inclusion of the proposed community centre in the 2013 Operating Load Forecast, there was an increase in expected energy consumption in Rigolet. Given this load increase was indicated in the 2013 forecast for the Rigolet system, this work should have been identified for possible inclusion in the 2014 Capital Budget Application but was inadvertently omitted from the planning process.