

1    Q.    **Re: Fuel Oil Storage Facility - Refurbishment of Tank 3**

2            Did Hydro make any changes to its oil delivery schedule during the over two year  
3            period in 2007-2009 when Tank 2 was out of service, to better ensure reliable levels  
4            of fuel storage?

5

6

7    A.    Hydro scheduled its deliveries during the two-year period in 2007-2009 when Tank  
8            2 was out of service to ensure that reliable levels of fuel storage were maintained  
9            while at the same time ensuring that there was enough capacity to accept the  
10           incoming tanker shipment. Hydro's efforts were aided during this period because  
11           Holyrood thermal production requirements were low (1,256 GWh in 2007 to 940  
12           GWh in 2009) and there were no pack ice issues that disrupted vessel traffic.

13

14           It should be noted that Hydro's hydraulic energy supply capability is subject to  
15           inflow conditions that can vary substantially from year to year. Hydro's five-year  
16           Operating Load Forecast (OPLF) is indicating progressively higher overall system  
17           energy requirements in the upcoming years. The requirements from Holyrood could  
18           increase significantly from that experienced in the two-year period 2007-2009. It is  
19           therefore essential that the storage capability of all four fuel tanks be available to  
20           ensure that reliable fuel storage levels are maintained and so that Hydro can  
21           effectively manage disruptions in fuel delivery schedules.