Q. **Refurbishment of the Fuel Oil Storage Facility, Holyrood Thermal Generating Station**

Since 2015 and 2016 appear, at this point, from a planning perspective, to be the critical years, why would it not be possible for NLH to delay the refurbishment of Tank #3 for one to two years, until there is greater certainty regarding the future of the Holyrood Thermal Generating Station?

A. It is not advisable for Hydro to delay the refurbishment of Tank 3 for one to two years, until there is greater certainty regarding the future of the Holyrood Thermal Generating Station. The graphs provided under Figures 1 to 4 in the report "Refurbishment of the Fuel Oil Storage Facility, Holyrood Thermal Generating Station, July 2011" indicate that the minimum storage capacity required for the years 2002 to 2005 is three tanks, and there are times when four tanks are required. The annual fuel consumption during that time period was comparable to that provided in Table 3 for 2008, a year when there was comparable power generation demand and energy profile. Table 3 also provides the fuel consumption forecast for the years 2012 to 2016 and forecasts significantly higher annual fuel consumption compared to what was experienced in 2008. Power generation will be proportionately higher in those years compared to 2008. With consideration to the graphs, provided under Figures 1 to 4 in the above-noted report, and the fuel consumption forecast provided in Table 3, the storage tank capacity required to support generation in the years 2012 to 2016 will be at least three tanks in reliable condition. Presently there are only two tanks in reliable condition.

Tanks 2 and 4 have been recently rehabilitated. With Tank 1 also in a deteriorated state, the risks of losing the Tank 3, ice blockage of Conception Bay, and hydraulic

variability make the reliability of the tanks essential to assure reliable fuel supply to the Holyrood Generating Station.