

1 Q. **Tab D, 2014 Capital Projects \$200,000 and over but less than \$500,000:**

2 **Explanations – Inspect Fuel Storage Tanks, p. D-114**

3 The Table 1 Budget Estimate at p. D-115 indicated that in 2014, of the total
4 \$495,000 for the project, \$303,600 represents contract work. Given the number of
5 above ground fuel storage tanks and associated fuel supply systems with Hydro and
6 the fact that a Fuel Storage Tank Inspection Plan has been developed, (Appendix
7 “B”), has Hydro considered whether it can have its own personnel acquire the
8 necessary accreditation and carry out the inspections and the costs of same
9 compared to the use of external contractors?
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12 A. Hydro has not considered using its own personnel to complete this work as there
13 are many aspects to this inspection. The scope of a fuel storage tank inspection
14 first requires the tank to be drained and cleaned and in some cases requires
15 temporary fuel storage. After cleaning, the tank is inspected by an API Certified
16 inspector and then any necessary refurbishments, typically requiring welding, is
17 completed by the contractor. After the refurbishments are complete, the tank is
18 inspected again and certified. The scope of the work covered by the \$303,600
19 contract costs includes all of this work rather than just the inspection.