

1 Q. **Tab E, 2014 Capital Projects \$50,000 and over but less than \$200,000:**

2 **Explanations – Construct Storage Facility, p. E-139**

3 Hydro outlines that the current structure has been in place for the last 38 years.

4 Why can't this project be deferred?

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7 A. This project should not be deferred due to limited space for plant equipment and
8 consumable items. The plant was originally designed with smaller engines without
9 auxiliary equipment such as fuel coolers, heat exchangers, and after cooler controls,
10 resulting in less space. A recent requirement to have storage cabinets for
11 flammable materials has also resulted in a loss of available space. As a result, there
12 is no lay down area in the plant for a disassembled engine or a parts cleaner. In the
13 current plant configuration, tools, spill response equipment and hardware for
14 distribution and diesel systems are stored in small sheds. Another factor is the
15 winter climate is harsh and materials have to be stored inside where possible. Also
16 the marine shipping season ends in November, and to avoid high transportation
17 costs by air, materials have to be stored on site and storage space is required. The
18 requirement for additional storage space was identified in a "Diesel Plant
19 Remediation - Phase II" report, completed by Hatch Engineering Ltd. in 2012 as
20 outlined in the Capital Budget Proposal.