

1 Q. **Reference: Inspect Fuel Storage Tanks (2027–2028) - Makkovik page 5**

2 a) How many years of useful service life are remaining for fuel storage tanks 7D, 7E, 7F,
3 and 7G?

4 b) What is the estimated replacement cost for each of the 4 fuel storage tanks?
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7 A. a) Tanks 7D, 7E, 7F were constructed in 1990, and 7G was constructed in 2019. These tanks
8 are managed on a ten-year inspection cycle, during which they are drained, cleaned, and
9 inspected in accordance with API 653 requirements. Any deficiencies identified through
10 these inspections are repaired before the tanks are returned to service. Repairs may be
11 minor, such as coating touch-ups, or more significant, such as full floor replacement.
12 Newfoundland and Labrador Hydro's ("Hydro") most recent depreciation study cites a life
13 of 50 years for fuel storage tanks. However, in Hydro's experience, tanks are not required
14 to be replaced on a regular cycle due to age. Rather, tanks are managed on a condition-
15 based approach. Hydro has vertical tanks dating back to 1975 that remain in service with
16 no planned retirement.

17 b) A high-level estimate for the replacement of the existing tanks in Makkovik is \$2,465,000
18 per tank. Hydro is unable to provide a detailed estimate per tank, as Hydro's project
19 estimate assumes coordinated replacement of the four proposed tanks. Replacement of
20 individual tanks would result in losses in execution efficiency, and increased execution
21 complexity.