

1 Q. **Refurbishment of Tank 2.**

2 With reference to Schedule 2, page 5, lines 5-6 and line 9, please provide copies of the 2018 and
3 2020 remaining life assessment reports from the tank inspection contractor.

4

5

6 A. The 2018 and 2020 life extension reports are provided as IC-NLH-010, Attachment 1 and
7 IC-NLH-010, Attachment 2, respectively.



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Newfoundland and Labrador Hydro Holyrood, NL

Fuel Oil Tank No.2

Inspection Interval Extension Report

October, 2018





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1.0 Executive Summary

TISI Canada Inc. (TEAM) was engaged by Newfoundland and Labrador Hydro (NL Hydro) to determine if the out-of-service inspection interval for fuel oil storage Tank No.2 could be extended. The purpose of requesting this extension is to extend the inspection interval to coincide with NL Hydro’s evaluation of the service life and future plans for the tank farm in which this tank is located. Based on data collected during previous inspections in addition to recently collected data, TEAM prepared a list of recommended items to be completed. These items have since been completed to TEAM’s satisfaction. It is TEAM’s recommendation that the next out-of-service inspection should be completed by December, 2021.

2.0 Introduction

During the last API 653 in-service inspection completed by TEAM, in July 2017, it was determined that the next API 653 out-of-service inspection is scheduled for December 2018. Since the tank farm is scheduled to be decommissioned in 2021, NL Hydro engaged TEAM to investigate if the out-of-service inspection date can be extended.

3.0 Tank Details

Client	NL Hydro	Location	Thermal Generation Plant, Holyrood, NL
Tank I.D.	Tank No. 2	Tank Type	Vertical, Uninsulated
Product	Bunker C Oil	Roof Type	Fixed
Tank Diameter	180’0”	Tank Height	48’0”
Year Built	1970	Specific Gravity	1.00
Capacity	217,000 Barrels	Manufacturer	McNamara Industries Ltd.

4.0 Tank History

This oil storage tank is an above ground uninsulated vertical tank with a fixed cone roof. As per the previous inspection report, the construction date is 1970. The tank features six (6) carbon steel butt welded courses. The overall dimensions are 180’0” diameter and 48’0” height.

5.0 Summary of Concerns

The main issues that were identified during previous inspections include:

1. Cracking and spalling of concrete ring beam (2017)
2. Corrosion and possible delamination of chine area (2017)
3. Corrosion concerns with floor (2008)

Since the tank was scheduled for an out-of-service inspection in December 2018, the inspection completed in 2017 was limited to an in-service (external) inspection.



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In order to determine if the next out-of-service inspection can be scheduled beyond the original December 2018 date, a detailed investigation into the three areas noted above was required.

6.0 Methodology

The methodology used to determine if extending the out-of-service inspection interval was a possibility is as follows:

1. TEAM would conduct a preliminary inspection to determine if any additional issues have developed since the last out-of-service inspection was conducted in 2017. This also included determining the extent of preparatory work required.
2. TEAM would recommend the type and extent of preparatory work prior to completing the required inspections.
3. TEAM would complete a 100% magnetic particle inspection (MPI) in the critical external corner weld to ensure it has not been compromised by the deterioration of the concrete ring beam
4. TEAM would complete an ultrasonic thickness survey (UT) of the chine area
5. TEAM would complete an assessment of the floor plate thickness from previous report data

7.0 Findings

The results of the inspection are as follows:

1. Derrick French, P. Eng. and Keith Gowan, CET, Authorized API Inspector, completed the preliminary assessment on June 15th. No additional issues were identified during the preliminary assessment.
2. TEAM prepared a list of preparatory work which was submitted to NL Hydro on June 13th, prior to the preliminary assessment. No further actions were added as a result of the preliminary assessment.
3. The MPI inspection commenced the week of June 16th. No rejectable indications were found during the time of inspection. The MPI report can be found in Appendix B.
4. The UT inspection commenced concurrently with the MPI inspection. The data indicated that there are no issues with the chine area with the exception of one (1) hole as shown on the reports in Appendix B. The area around the hole showed no signs of corrosion or stress.
5. Based on the floor assessment completed in 2008, any/all floor plates with corrosion loss greater than 40% were patched at that time. Without several sets of data, we can only assume a linear corrosion rate at this time. The areas that had experienced corrosion loss up to 40% would have experienced an estimated corrosion rate and remaining life of:

Original floor thickness = 0.250"

40% of original thickness = 0.10"

Corrosion Rate = $0.10'' / (2008 - 1970) = 0.10'' / 38 \text{ year} = 0.00263''/\text{year}$



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According to API 653 Table 4.4, The minimum bottom plate thickness required at the next inspection is 0.100" when there is no means for detection and containment of a bottom leak.

Thickness remaining in 2008 (at 40% loss rate) = $0.250'' - 0.100'' = 0.150''$

Allowable corrosion to meet requirements of Table 4.4 = $0.150'' - 0.10'' = 0.05''$

Remaining life to minimum corrosion thickness = $0.05'' / .00263''/\text{year} = 19 \text{ years}$

Remaining life for areas with up to 40% corrosion in 2008 = $2008 + 19 = 2027$

It is also relevant to note that while a linear corrosion rate is assumed due to a lack of historical data, the corrosion rate has likely decelerated in recent years. This is due to improvements that have been made to the tank farm where Tank No. 2 is located. For the majority of the tanks service life, the bottom and several feet of the first shell course were submerged in water. In 2009 the tank farm was upgraded with a new drainage system which resulted in reconfiguring the tank compound. The geography was modified to promote drainage to the new drain locations. In summary, it is our opinion that the calculations above represent a worst-case scenario for the remaining floor life. Based on experience and industry standards, we expect the corrosion rate to be reduced now that the tank floor is no longer submerged in water.

8.0 Recommendations

The following items were recommended to be completed:

1. Repair cracked and spalling areas of concrete ring beam
2. Seal chine and ring wall interface following repair of ring beam
3. Reapply coatings to the tank chine area
4. Install tank nameplate in accordance with API 650
5. Complete all recommendations from the 2016 inspection report

9.0 Conclusion

All items on the list of recommendations have been completed at this time with the exception of installing the nameplate. TEAM recommends the next out-of-service inspection to be scheduled for December, 2021. Please refer to Appendix A for photographs of the completed repairs.



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Appendix A – Photographs



Figure 1: View of concrete ring beam repairs.



Figure 2: View of concrete ring beam repairs.



Figure 3: View of concrete ring beam repairs.



Figure 4: View of sealant applied to tank chine and ring beam interface.



Figure 5: View of concrete repair and sealant applied to tank chine and ring beam interface.



Figure 6: View of concrete repair and sealant applied to tank chine and ring beam interface.



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Appendix B – NDE Results



Industrial Services
TISI Canada Inc.

MAGNETIC PARTICLE EXAMINATION REPORT - Portable

Client Name	NL Hydro	P.O. No.	Verbal	Team Job No.	5208-3696
Work Location	Hollyrood, NL	Client Job No.	Verbal	Report No.	MT-002 SR
Code / Specification / CED	CSA W59 Clause 12	Technique No.	ASTM E709	Date of Exam	June 22nd 2018
Acceptance / CED	CSA W59 Clause 12	Procedure	CSA MT-1 Rev 5		
Part Description					
Part / Assy No.	NL Hydro Tank #2	Material	CS	Qty Inspected	1
DWG No.	N/A	Material Thickness	N/A	Heat No.	N/A
Type of Fabrication					
<input type="checkbox"/> Piping <input type="checkbox"/> Vessel <input checked="" type="checkbox"/> Tank <input type="checkbox"/> Weld <input type="checkbox"/> Casting <input type="checkbox"/> Forging <input type="checkbox"/> Plate <input type="checkbox"/> Other <input checked="" type="checkbox"/> Surface Acceptable for Inspection					
Inspection Parameters					
Magnetic Equipment:	Parker Yoke	S/N:	22667	Calibration Date:	Sept 8th 2018
Daily Yoke Verification	<input checked="" type="checkbox"/> Yes	Weight S/N:	15385	Yoke Leg Spacing:	6"
Product:	7HF	Type:	<input type="checkbox"/> Fluorescent <input type="checkbox"/> Dry Powder	Prod Spacing Amps:	N/A
Product:	WCP2	Type:	<input type="checkbox"/> Fluorescent <input type="checkbox"/> Dry Powder	Colour Contrast:	BLACK
Bath Concentration	<input type="checkbox"/> Fluorescent <input type="checkbox"/> Non-Fluorescent		mi / 100ml	Colour Contrast:	WHITE
				Batch No.:	17H03K
				Batch No.:	17L10K
				Part Temperature:	Ambient <input checked="" type="checkbox"/> °F <input type="checkbox"/> °C
Lighting Equipment					
White Light Equipment used:	Accumax-XP-2000				
Black Light Meter S/N:	Cal. Date:	Due Date:	Light Meter S/N: 1964247 Cal. Date: Mar 5th 2018 Due Date: Sept 5th 2018		
Black Light Sensor S/N:	Cal. Date:	Due Date:	Light Sensor S/N: Cal. Date: Due Date:		
White Light Intensity at the time of inspection:	$\mu W / cm^2$		105 <i>fc</i>		
Min. Black Light Intensity to be > 1000 $\mu W / cm^2$:	<input checked="" type="checkbox"/> at examination surface				
Ambient White Light in Darkened Area < 2 ft at inspection surface	<input type="checkbox"/>				
Inspection Scope					
Perform 100% MT on weld going around full circumference of Tank Fin on Tank #2					
Signature and Certification					
Technician	Sid Rapsome	Reg. No.	17346	Client Final Acceptance	Signature
Signature		Expiry Date	Nov 15th 2021	Authorized Inspector	Signature
Certification	CGSB: <input checked="" type="checkbox"/> Level 2 <input type="checkbox"/> Level 3	SNT-TC-1A:	<input type="checkbox"/> Level 2 <input type="checkbox"/> Level 3	CSA Supervisors Review	Signature

ULTRASONIC EXAMINATION REPORT

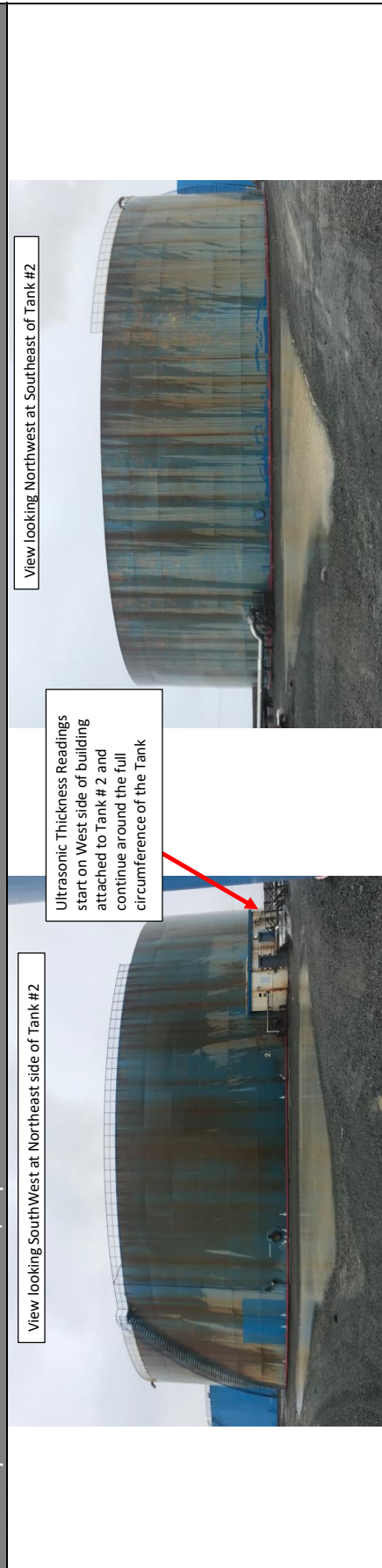
Client Name	NL Hydro	PO No.	Verbal	Team Job No.	5208-3587
Work Location	Holyrood, NL	Client Job No.	Verbal	Report No.	UT-002 SR
Code / Specification / CED	ASME B31.1	Technique No.	ASME V Article 4	Date of Exam	June 22nd 2018
Acceptance / CED	Client Information	Procedure	UT, ASME.11 5200 Rev 2		

Inspection Results

Tank # 2													
Readings are taken starting at North of Tank on West side of Shack (Facing Plant) around the circumference													
0.347	0.242	0.347	0.305	0.316	0.334	0.316	0.268	0.233	0.292	0.353	0.364	0.345	0.328
0.344	0.321	0.390	0.360	0.331	0.343	0.292	0.298	0.356	0.241	0.311	0.306	0.280	0.301
0.299	0.323	0.331	0.306	0.354	0.298	0.354	0.367	0.264	0.364	0.296	0.291	0.341	0.322
0.355	0.281	0.280	0.321	0.333	0.365	0.266	0.282	0.311	0.312	0.299	0.294	0.281	
0.276	0.300	0.284	0.291	0.345	0.333	0.328	0.316	0.314	0.288	0.298	0.304	0.333	0.296
0.291	0.286	0.334	0.315	0.298	0.320	0.318	0.299	0.330	0.286	0.291	0.310	0.307	0.346
0.339	0.348	0.358	0.371	0.301	0.298	0.312	0.318	0.329	0.331	0.341	0.326	0.314	0.309
0.335	0.325	0.302	0.284	0.226	0.221	0.309	0.301	0.307	0.350	0.335	0.276	0.270	0.281
0.288	0.299	0.296	0.366	0.358	0.304	0.321	0.319	0.312	0.332	0.321	0.308	0.309	0.301
0.301													

Readings are going from left to right

Additional Optional Information - Sketches, Graphs etc.



Technician	Sid Ransome	Reg. No.	17346	Client Final Acceptance	Signature	Date
Signature	<i>Sid Ransome</i>	Expiry Date	Nov 15th 2021	Authorized Inspector	Signature	Date
Certification	CGSB: <input type="checkbox"/> Level 2 <input type="checkbox"/> Level 3	SNT-TC-1A:	<input type="checkbox"/> Level 2 <input type="checkbox"/> Level 3	CSA Supervisors Review	Signature	Date

TEAM Industrial Services
TISI Canada Inc.

ULTRASOUND EXAMINATION REPORT

Client Name	NL Hydro	PO No.	Verbal	Team Job No.	5208-3696
Work Location	Holyrood, NL	Client Job No.	Verbal	Report No.	UT-003 SR
Code / Specification / CED	Client Information	Technique No.	ASME V Article 4	Date of Exam	June 22nd 2018
Acceptance / CED	Client Information	Procedure	UT,ASME.11 5200 Rev 2		

Inspection Results

Tank #1		Tank #2	
Void #1	Void #2	Void #3	Void #3
0.266	0.288	0.291	0.304
0.277	0.291	0.331	0.289
0.314	0.301	0.325	0.305
			0.311
			0.286
			0.280
			0.313
			0.310
			0.279

Additional Optional Information - Sketches, Graphs etc.



Signature and Certification

Technician	Sid Ransome	Reg. No.	17346	Client Final Acceptance	Signature	Date
Signature	<i>Sid Ransome</i>	Expiry Date	Nov 15th 2021	Authorized Inspector	Signature	Date
Certification	CGSB: <input type="checkbox"/> Level 2 <input type="checkbox"/> Level 3 <input type="checkbox"/> Level 3A	SNT-TC-1A:	<input type="checkbox"/> Level 2 <input type="checkbox"/> Level 3	CSA Supervisors Review	Signature	Date

form# 007 UT R2

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18 February, 2021

Newfoundland and Labrador Hydro
Holyrood, NL

Attention:- **Ms. Joanne Norman**

Subject: **Tank No. 2 Inspection Interval**

Dear **Ms. Norman**,

We have conducted a review of the API Recommended Practice 575. The review of API RP 575 was recommended in an email response provided by the Department of Environment, Climate Change and Municipalities dated February 12, 2021, regarding the previously requested internal inspection interval for Tank No.2.

In API RP 575 Third Edition, Section 7.2 Condition-based Inspection Scheduling and Minimum Acceptable Thickness, an equation is provided to calculate the remaining life of a tank and its components. Please refer to the equation and defined variables below.

$$\text{remaining life (years)} = \frac{t_{\text{actual}} - t_{\text{minimum}}}{\text{corrosion rate}} = \text{the remaining life of a tank component in years,}$$

where

t_{actual} is the thickness measured at the time of inspection for a given location or component used to determine the minimum acceptable thickness, in inches (mm),

t_{minimum} is the minimum acceptable thickness for a given location or component, in inches (mm),

$$\text{corrosion rate} = \frac{t_{\text{previous}} - t_{\text{actual}}}{\text{time (years) between } t_{\text{previous}} \text{ and } t_{\text{actual}}} = \text{in inches (mm) per year,}$$

where

t_{previous} is the thickness at the same location as t_{actual} measured during a previous inspection, in inches (mm).

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Based on the available data from the Out-of-service inspection completed on Tank No.2 in 2008, we can complete the calculations as shown above to determine the remaining life of the tank floor.

The drawings for the original tank construction indicate that the tank floor was constructed from ASTM A 283 Grade C material. As per ASTM A 283/ ASTM A 6 Standards, the maximum permitted mill tolerance in thickness over nominal thickness for plate specified as 0.25in thick for widths up to 8'0", as utilized in the construction of the tank floor of Tank No.2 is 0.03in. We can use this maximum permissible thickness to calculate the worst-case corrosion rate that could have occurred between construction and the inspection completed in 2008. The MFL scanner used during the 2008 inspection was calibrated based on the nominal plate thickness of 0.25in. All percentage of discontinuities recorded by the MFL scanner were in relation to this nominal thickness used for calibration. Based on all areas with >40% discontinuities being repaired, the minimum remaining thickness following repairs, t_{actual} is as follows.

$$t_{actual} = 0.6 * t_{nominal}$$

$$t_{actual} = 0.6 * 0.25in$$

$$t_{actual} = 0.15in$$

$$t_{minimum} = 0.10in \text{ (As per API 653, Table 4.4 – Bottom Plate Minimum Thickness)}$$

$$t_{previous} = t_{nominal} + \text{Max Mill Tolerance}$$

$$t_{previous} = 0.25in + 0.03in$$

$$t_{previous} = 0.28in$$

$$\text{corossion rate} = \frac{0.28 - 0.15}{2008 - 1970}$$

$$\text{corossion rate} = \frac{0.13}{38}$$

$$\text{corossion rate} = 0.00342in/year$$

$$\text{remaining life (years)} = \frac{0.15 - 0.10}{0.00342}$$

$$\text{remaining life (years)} = 14.6$$

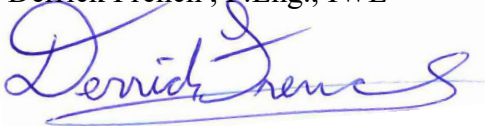
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If we add the remaining life to the date of inspection (November, 2008 = 2008.9) we get the following:

$$2008.9 + 14.6 = 2023.5$$

Based on this calculation following API RP 575 Section 7.2, it is our recommendation that Tank No.2 remain in service through June, 2023.

Derrick French, P.Eng., IWE



Senior Mechanical Engineer

