

1 Q. **Re 2011 Capital Plan - Individual Capital Projects:**

2 **Project B-8, Refurbish Fuel Storage Facility:** Provide in detail any implications for  
3 deferring this project for 2 years.  
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6 A. Deferring this project for two years places Hydro at increased risk of having an oil  
7 spill due to a leak in Tank 3 at the Holyrood Fuel Oil Storage Facility. An inspection  
8 in accordance with API standards was completed on Tank 3 in 2003 and 66 floor  
9 plates were found to have corrosion pits leaving areas of these plates with less than  
10 the minimum required thickness. As a result, a total of 195 repair plates were  
11 installed over the corroded areas. SGE Acres, a professional engineering firm, was  
12 contracted by Hydro in 2006 to perform a complete evaluation of the Holyrood fuel  
13 oil storage facility. The report recommends that the entire floor in Tank 3 be  
14 replaced and an inspection in accordance with API 653 of the underside of the tank  
15 roof be completed in 2010. The project is now a year behind in the recommended  
16 schedule.