

1 Q. **Reference: Request for Information NP-NLH-010.**

2 Further to Request for Information NP-NLH-010, please explain the variance in unit cost for the
3 Refurbish and Upgrade Power Transformers Program in each year.

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6 A. The unit cost for Refurbish and Upgrade Power Transformers activities¹ for the years 2025,
7 2026, and 2027 represents the average cost of a job on a unit in that year. This value is
8 calculated based on the project budget divided by the number of units within the project scope.
9 Each project budget is the sum of the cost of its jobs, most of which have a unique cost due to
10 its unique scope of work. As many of these jobs are triggered by the deteriorated condition of
11 one or more components, these unique scopes of work typically involve only those deteriorated
12 components. More specifically, the cost of a job varies by component² and, within the
13 component, by the quantity, technical specification, and required power transformer
14 disassembly.³

¹ "2023 Capital Budget Application," Newfoundland and Labrador Hydro, July 13, 2022, vol. II, prog. 3, sec. 2.3.

² For example, the cost of a bushing replacement versus the cost of the refurbishment of an on-load tap changer.

³ For example, the cost of bushing replacement jobs may vary based on the number of bushings required, the specification of each bushings, and the degree of power transformer disassembly required.