

- 1 **Q. (Reference Application, 2024 Capital Budget Expenditure Status Report,**  
2 **Appendix A: Variance Notes, page A-1) It appears that the cost of**  
3 **transformers has increased substantially, by about 58%.**  
4 **a) Is this a temporary increase, or is NP of the opinion that the cost increase**  
5 **is now locked in?**  
6 **b) How has this cost increase impacted the cost estimates assumed in the**  
7 **2025 CBA?**  
8 **c) In light of the significant cost increase for transformers and the long**  
9 **delivery times, have transformer repair alternatives become a more**  
10 **economic choice relative to transformer replacement alternatives?**  
11
- 12 A. a) See the responses to Requests for Information PUB-NP-008 and PUB-NP-022 for a  
13 discussion on the cost increases and the calculation of the 2025 capital budget  
14 estimates for the *New Transformers* and *Replacement Transformers* programs.  
15  
16 b) See part a).  
17  
18 c) Newfoundland Power currently utilizes distribution transformer refurbishment as an  
19 economic alternative to purchasing new units. The number of units refurbished is  
20 dependent on material availability and type of repair required. From 2017 to 2023  
21 the percentage of repaired transformers has been approximately 10% of the total  
22 pole mount transformers purchased.