

Distribution

Q. Reference: "2025 Capital Budget Application," Newfoundland Power Inc., June 28, 2024, sch. B, Replacement Transformers, p. 33, f.n. 33 and f.n. 34.

...Distribution transformer costs increased 37% from 2020 to 2024 and is expected to increase approximately 11% more in 2025. [f.n. 33]

and;

The average quantity of distribution transformers purchased from 2014 to 2018 was approximately 1,980 annually, the average purchased from 2019 to 2023 was approximately 1,500. [f.n. 34]

- a) How many distribution transformers did Newfoundland Power place in service each year from 2019 to 2023?**
- b) What is the basis for the projected decrease in program costs beyond 2025, as depicted in Figure 1 of the program proposal?**

A. a) Table 1 shows new and replacement transformers placed into service from 2019 to 2023.

Table 1: Distribution Transformers Placed Into Service (2019-2023)	
Year	Total Transformer Usage
2019	1,705
2020	1,710
2021	1,962
2022	1,700
2023	1,884

b) The decrease in the *New and Replacement Transformers* program forecasted costs after 2025 is due to predicted stabilization of material costs and transformer inventory levels.