

1 Q. **Reference: 2027 Capital Budget Application, Project 16, Replace T1 (2027-2029), page 6.**

2 Given the age of the power transformer compared to Hydro's stated expected service life of 55  
3 years and the effect of salt spray on this unit, has Hydro considered alternative approaches to its  
4 power transformer asset management strategy? If so, please explain. If not, why not?

5  
6  
7 A. Newfoundland and Labrador Hydro ("Hydro") would not consider updating the overall power  
8 transformer asset management strategy at this time due to the isolated incipient failure of  
9 Burgeo T1. Further trending and study would be required, as this failure could be considered an  
10 outlier with regards to transformer lifecycle. The intensity of salt contamination appears to be  
11 much higher at this location compared to other Hydro service areas.