

- 1 **Q. (Reference Application, Schedule B, page 34) Please provide a table showing**  
 2 **for each of the past 5 years: the number of replacement distribution**  
 3 **transformers purchased, the total actual cost of the purchased transformers**  
 4 **and the adjusted cost of the purchased transformers. Further, please provide**  
 5 **the calculation that resulted in the forecast expenditure for this program in**  
 6 **2025.**
- 7
- 8 A. Table 1 provides the number, actual cost and adjusted cost of replacement distribution  
 9 transformers purchased by Newfoundland Power from 2019 to 2023.

Table 1: Quantity and Cost of Replacement Distribution Transformers 2019 to 2023					
	2019	2020	2021	2022	2023
Number of Units <sup>1</sup>	774	727	898	811	762
Actual Cost (\$000s)	3,019	2,983	3,356	3,873	3,411
Adjusted Cost (\$000s) <sup>2</sup>	3,665	3,584	3,745	4,014	3,475

<sup>1</sup> These values represent the quantity of transformers purchased for the *Replacement Transformers* program and are not reflective of actual usage in the year listed.

<sup>2</sup> 2024 Dollars.

- 1 Table 2 provides the calculation of the 2025 capital budget for the *Replacement*  
2 *Transformers* program.

Table 2: <i>Replacement Transformers</i> Program 2025 Budget (\$000s)	
	Amount
Three-Year Average Adjusted Costs (\$2024) <sup>3</sup>	4,430
11% Increase in Material Cost <sup>4</sup>	487
GDP Inflation <sup>5</sup>	80
Additional Inventory <sup>6</sup>	1,343
<b>2025 Budget</b>	<b>6,340</b>

<sup>3</sup> See Newfoundland Power's *2025 Capital Budget Application, Schedule B*, page 33, table 1.  
 $(\$4,014 + \$3,475 + \$5,802) / 3 = \$4,430$ .

<sup>4</sup>  $(\$4,430 \times 0.11 = \$487)$ . For additional information regarding the approximate 11% increase in material costs, see the response to Request for Information PUB-NP-008.

<sup>5</sup> Based on the forecast GDP Deflator for Canada provided by the Conference Board of Canada in its data release in February 2024.

<sup>6</sup> Additional inventory purchases are required in 2025 to meet minimum inventory levels.