

1 **Schedule B 2025 Capital Projects and Programs Over \$750,000**
 2

- 3 **Q. a) Please describe which projects in the 2025 CBA are most susceptible to**
 4 **completion delays due to supply chain challenges.**
 5 **b) How have supply chain challenges been reflected in the timelines of**
 6 **projects that are most at risk of delay in completion?**
 7

- 8 A. a) Newfoundland Power (the "Company") proactively attempts to identify specific
 9 projects that are most susceptible to completion delays due to supply chain
 10 challenges and incorporate that into the project plan. The identification process is
 11 based on engineering analyses, conversations with vendors, and procurement
 12 expertise. By proactively engaging with suppliers and analyzing past procurement
 13 information, Newfoundland Power aims to anticipate and mitigate potential delays
 14 arising from supply chain disruptions.
 15

16 While all projects in Newfoundland Power's *2025 Capital Budget Application* are
 17 susceptible to completion delays, those relying heavily on the procurement of
 18 specialized equipment are most at risk. The Company strives to recognize this during
 19 the project planning phase and incorporate it into the proposed schedule.
 20

21 One example of a project that was recognized as having a higher risk of delay due to
 22 the requirement for specialized equipment is the *Substation Power Transformer*
 23 *Replacement* project, specifically, GAN-T2 and PUL-T2. The Company has observed
 24 that lead times from suppliers for power transformers have not yet returned to
 25 pre-pandemic levels, which has impacted project timelines. In response, the
 26 Company has adjusted the timeline for the *Substation Power Transformer*
 27 *Replacement* project to a multi-year project, accommodating the extended lead
 28 times.
 29

30 Similarly, the *Replace Vehicles and Aerial Devices 2025-2026* project has also been
 31 restructured into a multi-year project to accommodate the lengthened lead times
 32 associated with the procurement of specialized vehicles and vehicle equipment.
 33

- 34 b) Power transformers are an example of specialized equipment with a known supply
 35 chain challenge. The proposed projects in Newfoundland Power's *2025 Capital*
 36 *Budget Application* to replace the power transformers at Pulpit Rock and Gander
 37 substations have this expected lead time built into the project schedule and as a
 38 result are being proposed as multi-year projects.¹
 39

40 Additionally, the Company has demonstrated its awareness of supply chain
 41 challenges through adjustments in the project planning and budgeting. A notable
 42 example is reflected in Newfoundland Power's *2022 Capital Budget Application*,
 43 where the *Replace Vehicles and Aerial Devices* project was extended from a single
 44 year initiative to a multi-year project. This adjustment was made in response to the
 45 extended lead times for acquiring new vehicles, illustrating Newfoundland Power's

¹ See Newfoundland Power's *2025 Capital Budget Application*, report 2.2 *Substation Power Transformer Replacements*.

1 proactive approach to managing supply chain risks and has been carried forward into
2 2025.

3
4 Similarly, the refurbishment and modernization projects at Lockston and Summerville
5 substations have been transitioned to multi-year timelines. This change was
6 necessitated by the extended delivery times for essential materials and equipment,
7 underscoring the impact of supply chain issues on project scheduling.²

² See Newfoundland Power's *2025 Capital Budget Application*, report *2.1 Substation Refurbishment and Modernization*.