Schedule B 2025 Capital Projects and Programs Over $750,000

Q. Page 130, VHF Radio System Replacement.

a) Did Newfoundland Power complete an assessment of alternatives prior to deciding to pursue satellite PTT technology.

b) On page 131 Newfoundland Power states that "The vendor has informed the Company that the current system will be shut down in June 2024." Please provide details on the measures Newfoundland Power has taken so as to have a means of backup communications and truck-to-truck communications from June 2024 until the purchase of satellite PPT devices?

A. a) Newfoundland Power considered several alternatives prior to the decision to pursue a satellite PTT solution to replace the existing VHF radio system. The alternatives considered included deferral, maintaining the existing system, replacement with an alternate vendor, joining the Government of Newfoundland and Labrador P25 system, and a satellite PTT solution. The alternatives are described below.

Deferral

Deferring the project beyond 2025 would pose safety risks and operational challenges. The VHF system provides backup communication in emergency situations. Without it, risk is imposed on Newfoundland Power employees' safety, and as well as customer reliability.

Maintaining Existing System

The current VHF system is owned and operated by Bell Canada ("Bell"). Bell will not maintain the existing system as it introduces the new P25 provincial radio system. As such, maintaining the existing system is not an option.

Replace with an Alternate Vendor

The existing trunked radio system was initially installed as a joint project between Newfoundland Power, Newfoundland and Labrador Hydro, and the Newfoundland and Labrador Department of Transportation. As such, the initial capital cost to build the system was shared between the three user groups. Both other user groups are pursuing independent replacements of the VHF radio system. Replacement of the existing trunked radio system with a system provided by another vendor is not a viable option as the capital cost to develop a new system with a different provider would far exceed alternative options.

P25 System

Newfoundland Power evaluated the P25 system currently being constructed by Bell and the Government of Newfoundland and Labrador. The coverage provided by the P25 system is diminished as compared to the existing system. Additionally, the P25 system uses aspects of Bell's core infrastructure. As Newfoundland Power's primary

method of communication is Bell's cellular network, there would be a common point of failure between the primary and backup communication methods under this option.

Based on the concerns above, in addition to preliminary cost estimates, this alternative was not considered least cost and does not meet Newfoundland Power's needs.

Satellite PTT Solution

Capital cost estimates provided to adopt the satellite PTT system are least cost when compared to other viable alternatives. In addition, a satellite solution is not as hindered by geography as a radio system. A satellite PTT device requires a line of site to the geostationary satellite to communicate and thus provides more reliability in emergency scenarios. It would also operate independently of the provincial electrical grid and thus power outages would not have any effect on the system.

Consistent with the results of this analysis, Newfoundland Power proposed a satellite PTT solution for implementation in 2025

b) Since the submission of Newfoundland Power's *2025 Capital Budget Application* there have been ongoing discussions with the vendor on when a formal shutdown will occur. The date provided for a shutdown of the existing radio system was December 31, 2024. However, it was also communicated that the system may be available up to March 31, 2025, until the vendors contract for that particular radio frequency ends.

There is an ongoing pilot project with a satellite PTT system in two of Newfoundland Power's operating regions to test functionality in known cellular and existing radio dead spots, as well as to familiarize employees with the radios and the management system. As such, there will be several devices at Newfoundland Power's disposal in the event of a cellular outage during the procurement process.