

1 **Q. Reference: "2026 Capital Budget Application," Newfoundland Power Inc.,**
2 **June 27, 2025, Supporting Materials, Substations: 2.2, Appendix E, p. 12.**

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4 **As indicated in Figure E-5, the Normal degradation Index of MOL-T2 is**
5 **approaching the 0.60 threshold.**

6
7 **a) Based on trending data, when does Newfoundland Power anticipate that**
8 **MOL-T2 will cross the 0.60 threshold?**

9
10 **b) Has Newfoundland Power considered deferring this project until the 0.60**
11 **threshold is met? If not, why not?**

- 12
13 **A.** a) Based on trending data, MOL-T2's Normal Degradation Index is projected to cross
14 the 0.60 threshold within the next two years, subject to variations in loading,
15 operating conditions and deterioration rates.
16
17 b) Newfoundland Power has not considered deferring this project until the 0.60
18 threshold is met. Power transformer replacements are prioritized using a risk-based
19 analysis that considers multiple factors, including condition-based indicators,
20 operational history, visual inspections and results from diagnostic assessment tools.

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22 In addition to the Normal Degradation Index approaching the threshold, a recent
23 Transformer Condition Assessment indicates that the paper mechanical insulation
24 strength of MOL-T2 is reduced to approximately 50% tensile strength. This
25 transformer has required multiple oil leak repairs and shows signs of external
26 corrosion. In addition to this, MOL-T2 presently requires a radiator replacement.

27
28 MOL-T2 services a heavily loaded substation in central St. John's and there is only
29 one compatible power transformer with MOL-T2 in Newfoundland Power's spare
30 transformer fleet. Given the long delivery lead times for procuring power
31 transformers, the limited emergency response capabilities and the increased risk of
32 transformer failures within Newfoundland Power's aging fleet, proactive replacement
33 is necessary to ensure continued reliability of service to customers.