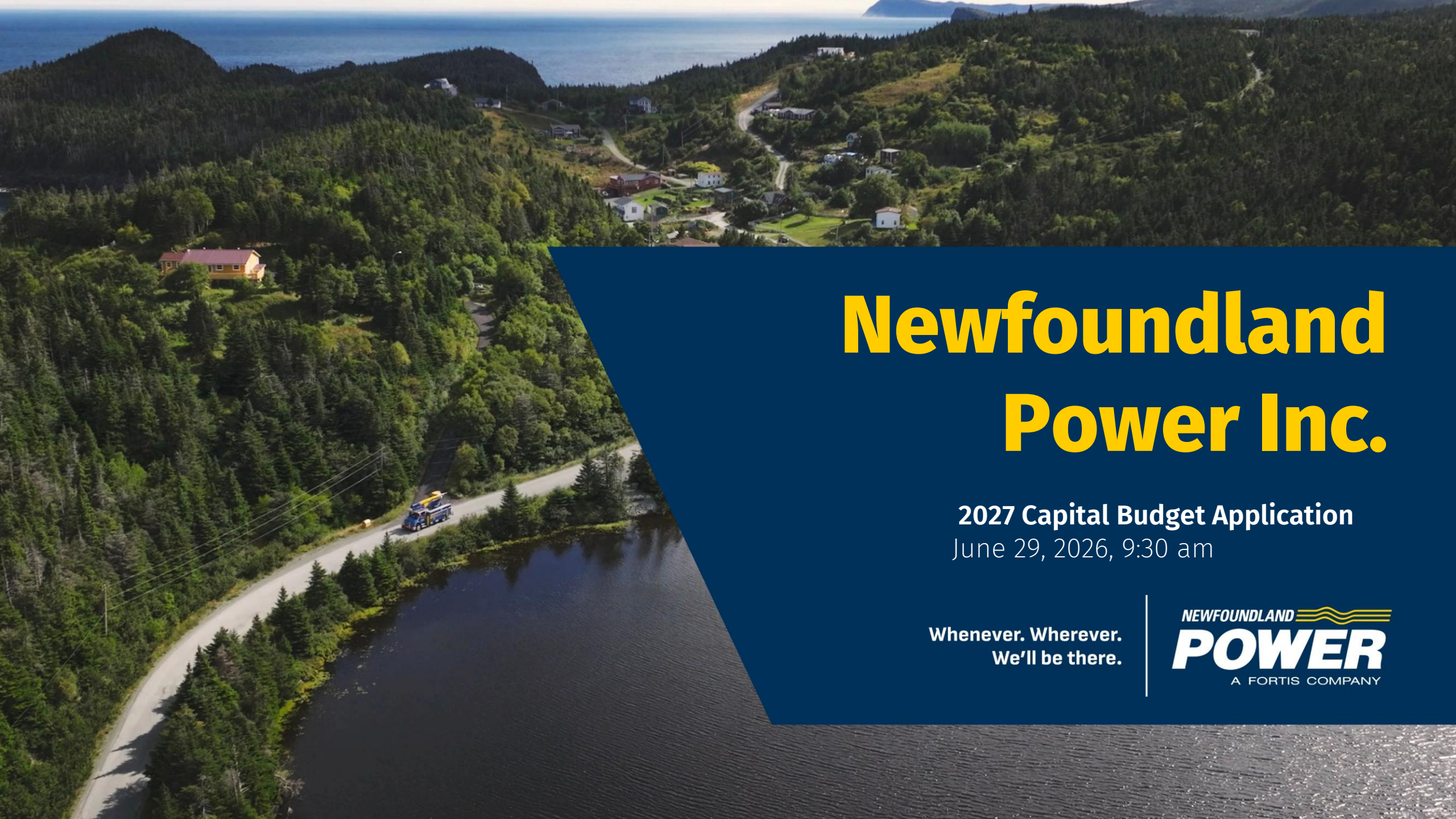


# Newfoundland Power Inc.

**2027 Capital Budget Application**

June 29, 2026, 9:30 am

Whenever. Wherever.
We'll be there.

NEWFOUNDLAND POWER
A FORTIS COMPANY

# Outline

- Background
- 2027 Capital Budget
- 2027 Capital Projects

# Capital Planning at Newfoundland Power

- Comprehensive process determines scope, necessity and timing of capital expenditures

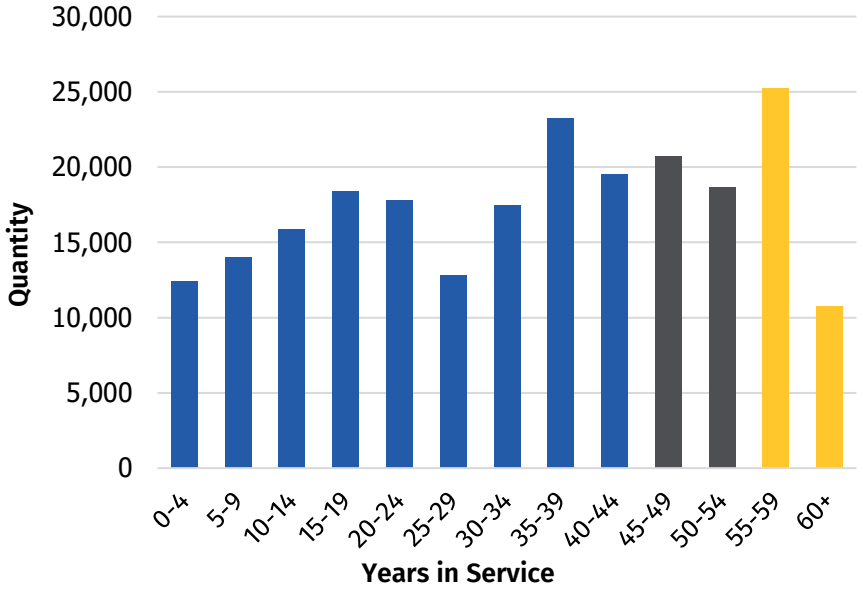
- Based on sound engineering and objective data:
  - Customer connections
  - System growth
  - Asset condition
  - Economic factors
  - Industry standards
  - Operational requirements

- Alternatives assessed, including deferral, modification or advancement

| Deferred/Modified/Advanced Expenditures | |
|---|---|
| Projects planned for 2027 but deferred to subsequent years | 7 |
| Projects advanced to 2027 | 1 |
| Previously deferred projects proposed for 2027 | 1 |
| Projects modified in 2027 | 2 |

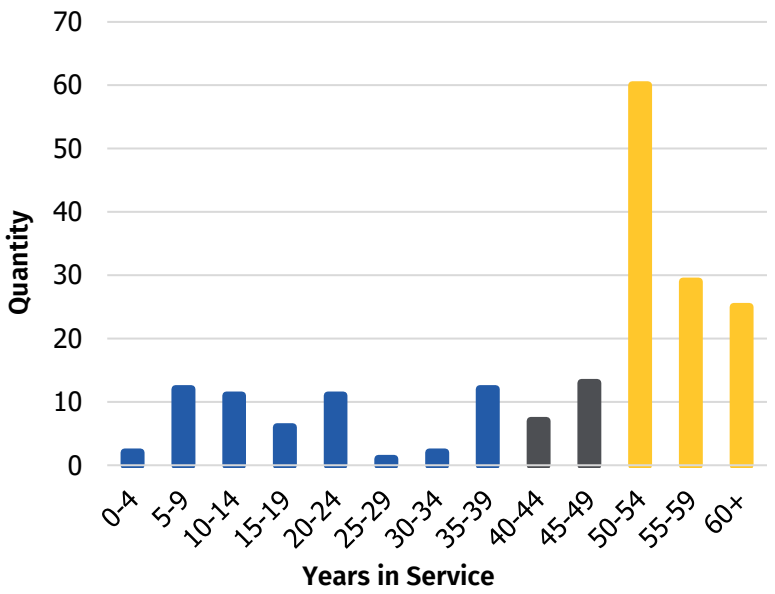
# Aging Electrical System

### Distribution Wooden Support Structures



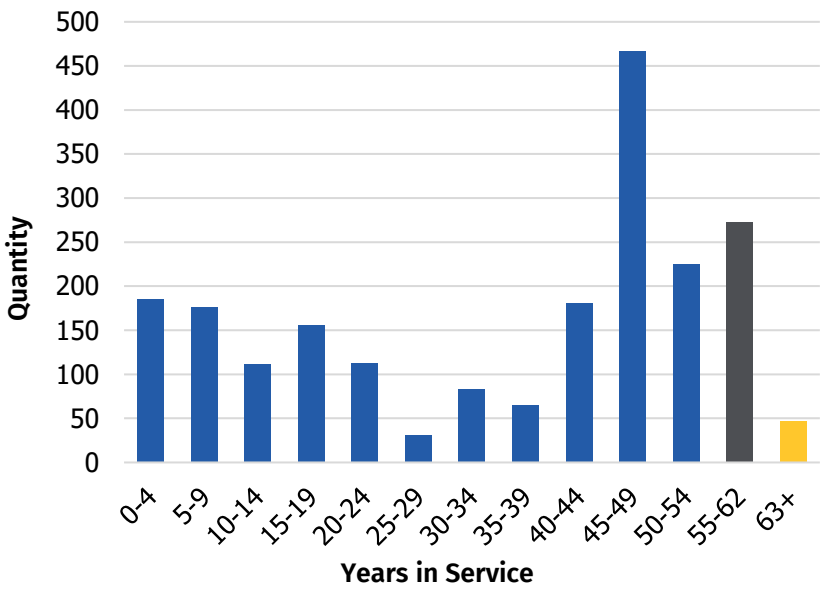

**Expected Service Life:** 54 Years

### Substation Power Transformers




**Expected Service Life**: 30-50 Years

### Transmission Overhead Conductor

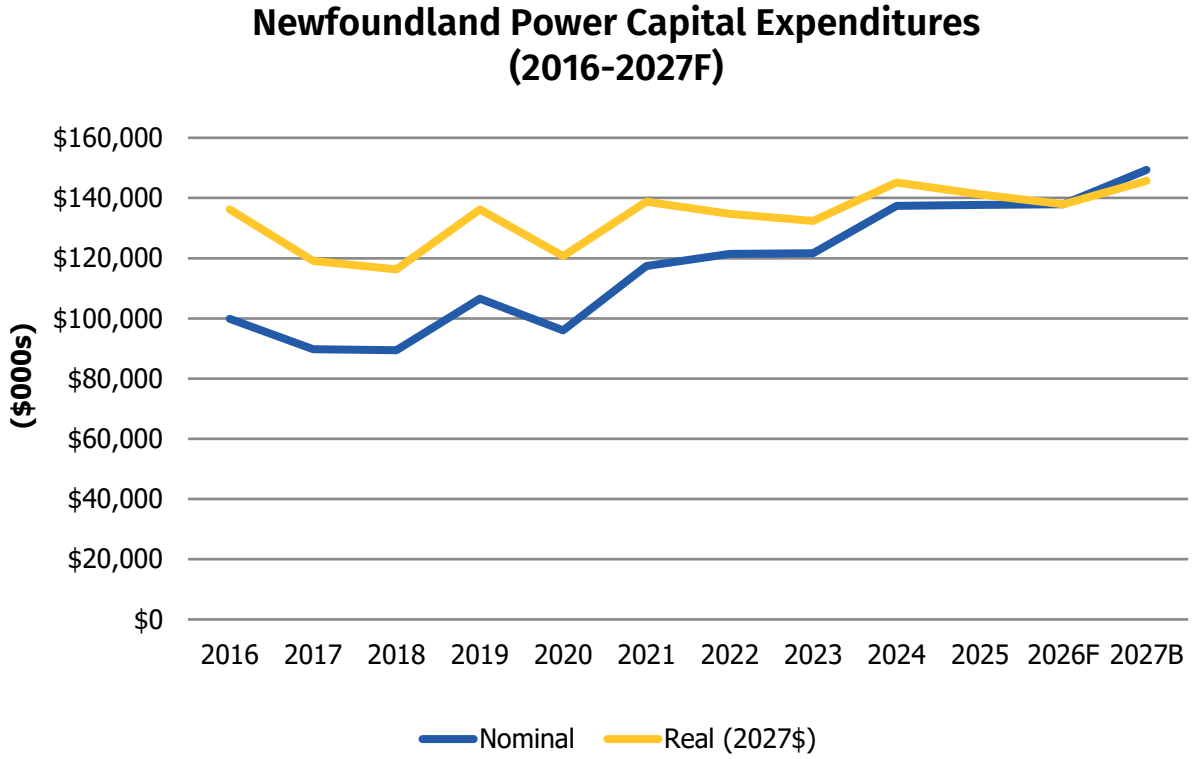



**Expected Service Life:** 63 Years

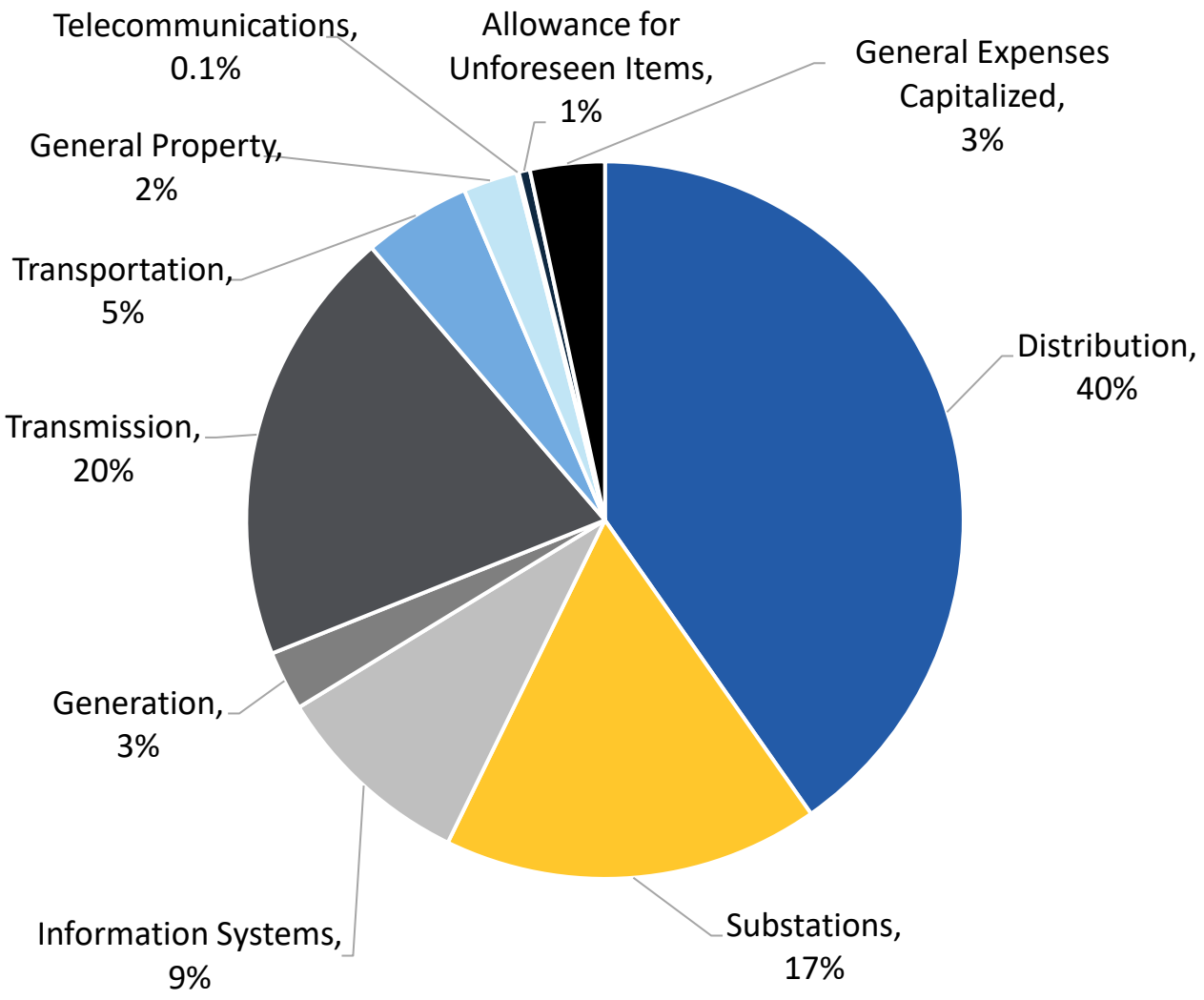

# 2027 Capital Budget

# 2027 Capital Budget

| Expenditure Type | 2027 Budget ($000s) |
|---|---|
| Single-Year > $750,000 | 79,411 |
| Single-Year < $750,000 | 9,723 |
| New Multi-Year | 9,551 |
| **Subtotal** | **98,685** |
| Previously Approved Multi-Year | 50,664 |
| **Total** | **149,349** |



# 2027 Capital Budget by Asset Class




## Distribution Investments

- 2,342 forecasted customer connections
- Feeder Refurbishments
  - St.John's region – CAB-01 & GDL-02
  - Eastern region – ILC-02 & MIL-02
  - Western region – GBY-01
- Distribution Reliability Initiative
  - Refurbishment of GLV-02
- Load growth
  - Two feeders – BLK-02 & CHA-04
  - Increased residential load growth driven by subdivision development and increased customers

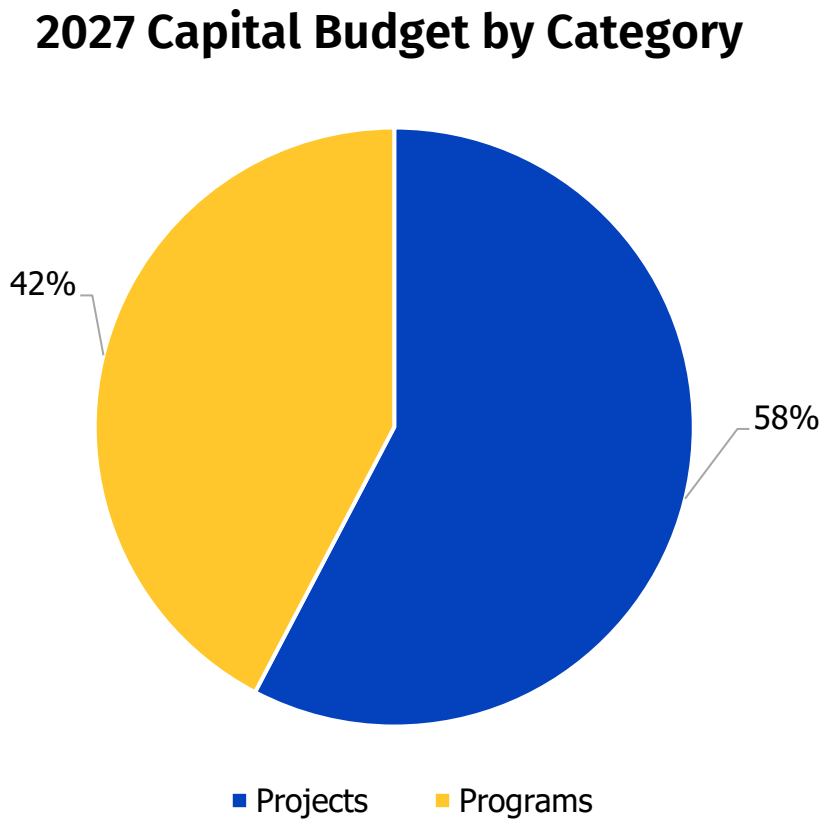
# 2027 Capital Budget by Category

## 49 Projects

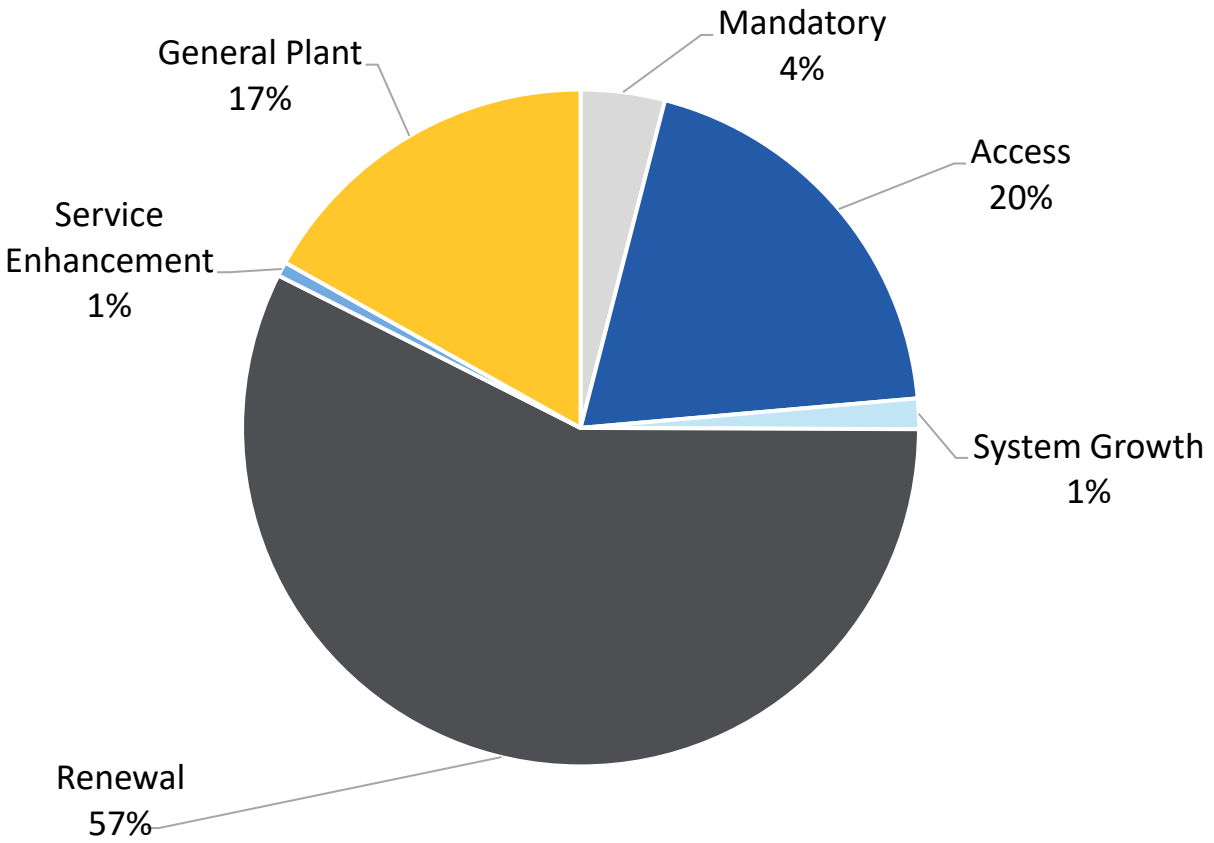
- Defined schedule, scope and budget based on detailed engineering estimates

## 22 Programs

- High volume, repetitive and ongoing work.  Budget based on historical averages.



# 2027 Capital Budget by Investment Classification




## Renewal Investments

- Primarily condition-based
- Corrective and preventive maintenance programs
- Proposed refurbishment projects
  - Four power transformer replacements
  - Three substation refurbishments
  - One hydro plant refurbishment

# 2027 Capital Budget by Materiality Threshold

| Threshold | Quantity of Projects/Programs | Percentage of Total Expenditures |
|---|---|---|
| Less than $1 million | 27 | 11% |
| $1 million to $5 million | 31 | 34% |
| Greater than $5 million | 13 | 55% |
| **Total** | **71** | **100%** |

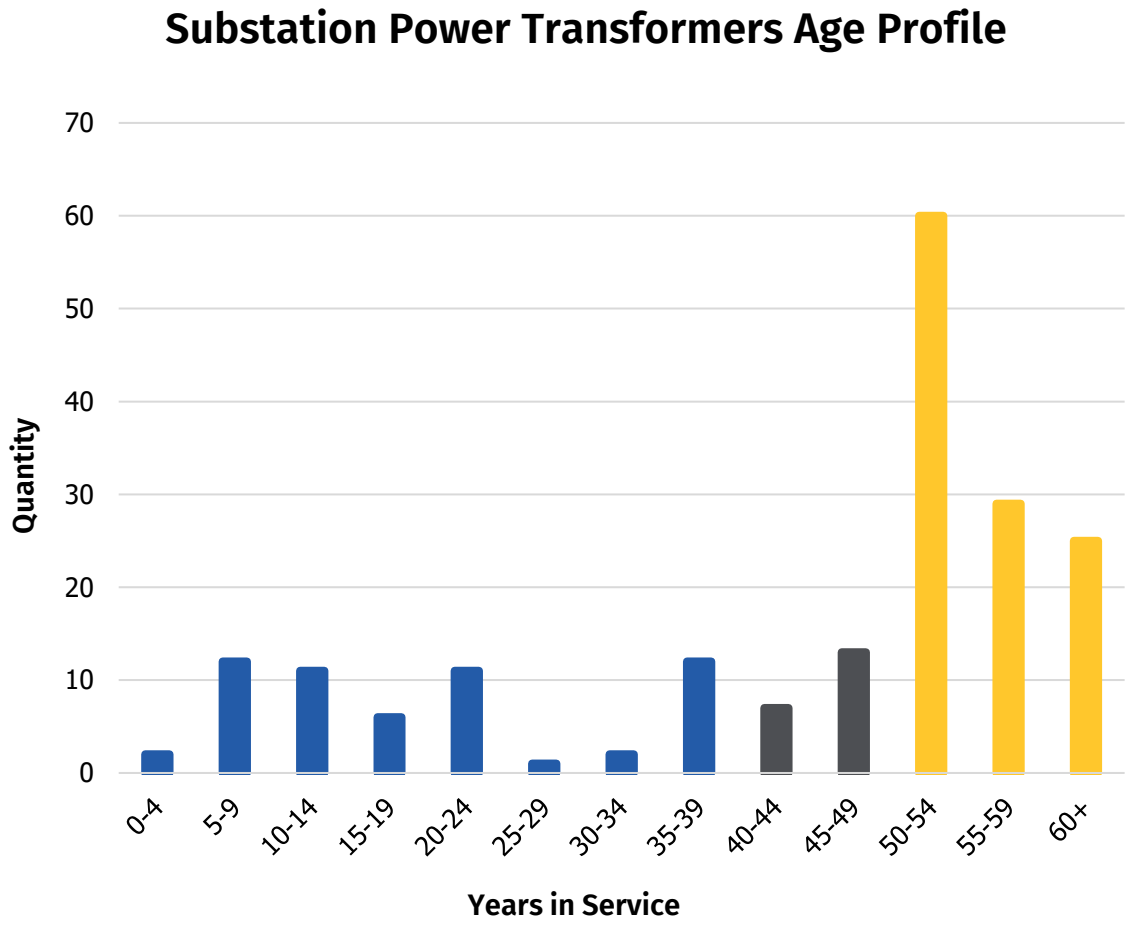
## Examples of Projects over $5 million

- Portable substation
- Blaketown Substation Refurbishment and Modernization


# 2027 Capital Projects

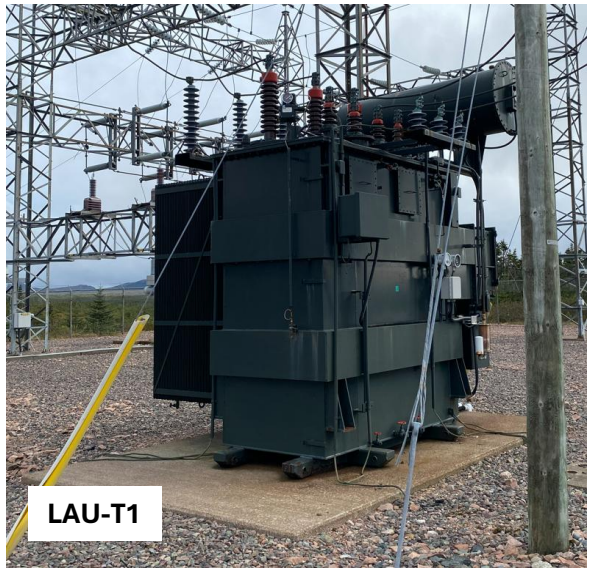
# Substation Power Transformer Strategy

- Most critical substation asset
- Second year of strategy
- Aging fleet
- Persistently long delivery lead times
- Constrained emergency response resources

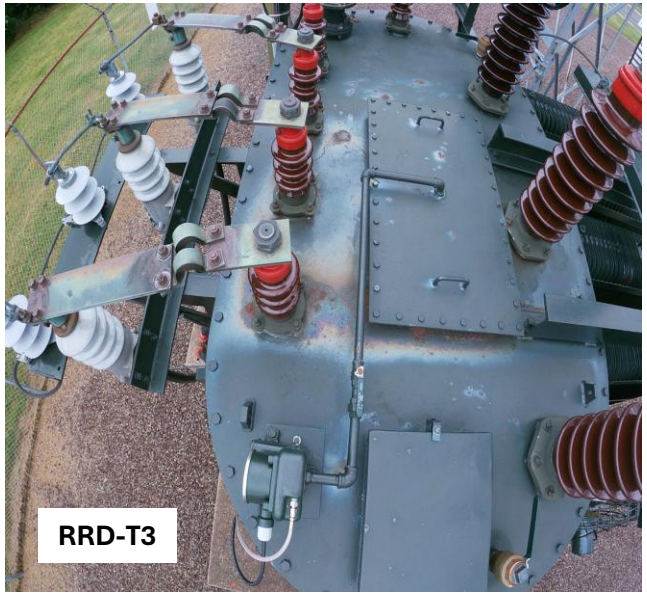


# 2027 Substation Power Transformers ($11.2M)

- Proposing replacement of 4 power transformers
  - Laurentian T1
  - Lookout Brook T1
  - Harmon T1
  - Ridge Road T3
- External deterioration identified through condition assessments
- Internal deterioration identified through oil analysis
- Coordination with planned refurbishments

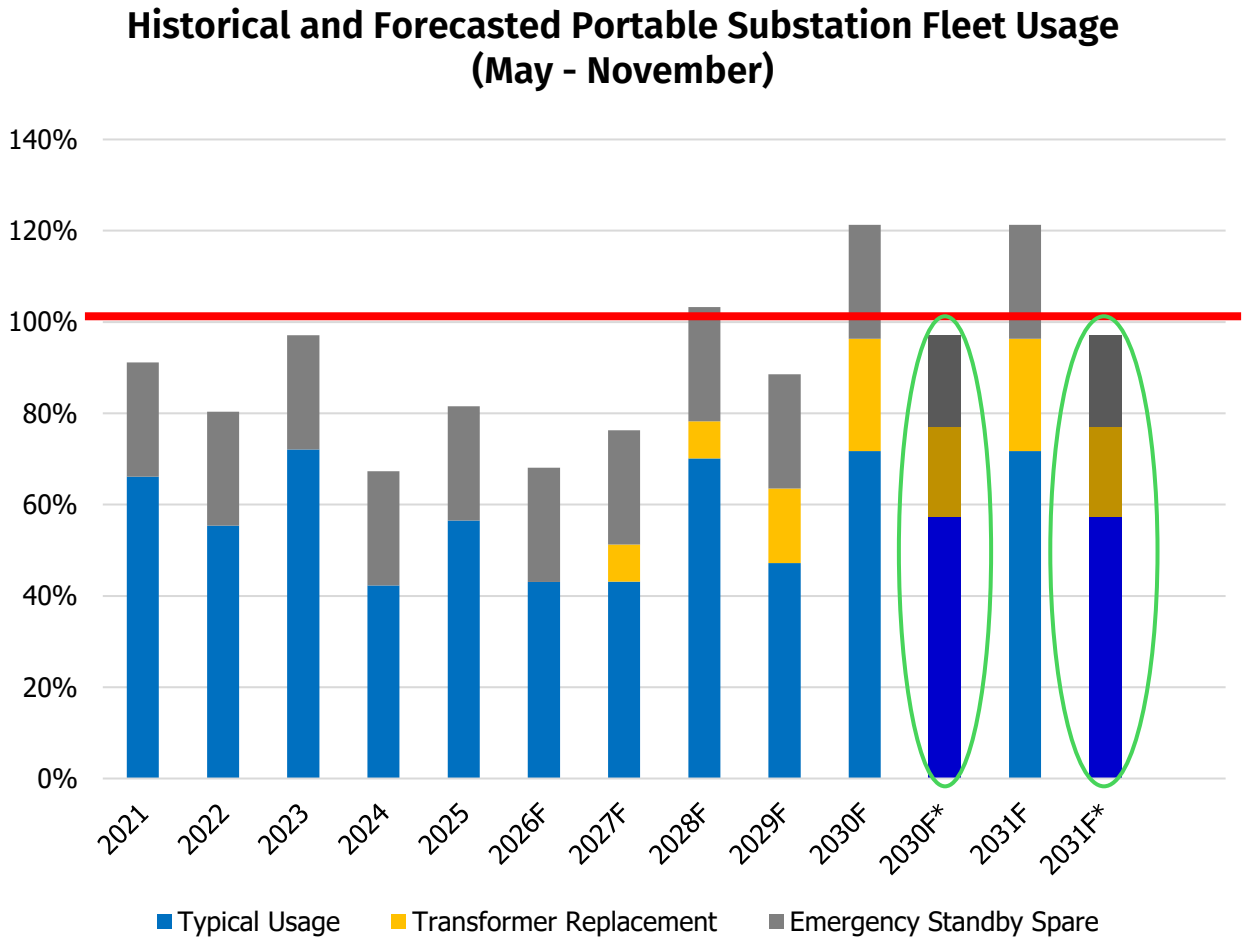




# Portable Substation ($9.9M)

- Aging substation transformer fleet
- Critical for emergency response
- Deployment for capital projects and planned maintenance




* Indicates usage with addition of new portable substation.

# Distribution Reliability Initiative ($2.9M)

## Glovertown

- Distribution feeder GLV-02
  - Constructed in the 1960s
  - One of the worst performing feeders
  - Deteriorated conductor and poles
  - Two sections totaling 17 kilometres to be refurbished


| Distribution Interruption Statistics 5-Year Average to December 31, 2025 | | | | | |
|---|---|---|---|---|---|
| Feeder | Customer Minutes of Outage | SAIFI | SAIDI | CHIKM | CIKM |
| GLV-02 | 1,004,070 | 5.64 | 10.85 | 133 | 69 |
| **Corporate Average** | **89,226** | **1.23** | **1.74** | **49** | **35** |

# Gander-Twillingate System Planning Study ($4.2M)

## Justification:

- Transmission-level undervoltage condition near Twillingate
- Age and condition of GAN-T2 and 108L

## Three-year plan filed in 2025 CBA:

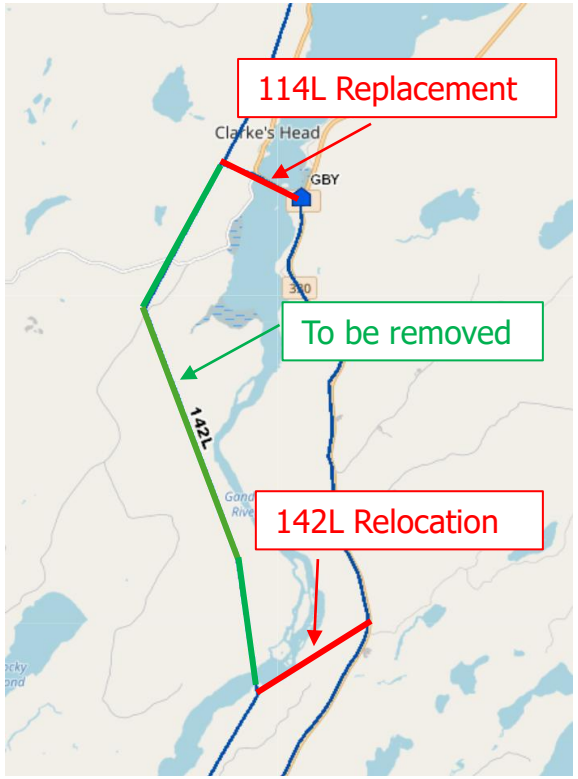
- New 138 kV Transmission Line 148L from LEW-BOY (approved)
- New 138/66 kV Transformer for BOY Substation (approved)
- Associated upgrades at LEW and BOY substations (approved)
- Retirement of JON Substation (2027)
- Modifications to Transmission Lines 142L and 114L (2027)




2027 CBA, Schedule B, pages 6-8 and 104-109

# Gander-Twillingate System Planning Study ($4.2M)


**COB-02 Extension**




**114L/142L**

## Proposed 2027 Work:

- Distribution Feeder COB-02 Extension
  - Maintains supply to JON Substation customers
- Transmission Line 114L Replacement and 142L Relocation
  - Maintains lines in/out of GBY Substation
  - Elimination of 3-terminal 142L/114L tap



2027 CBA, Schedule B, pages 6-8 and 104-109

# Rose Blanche Hydro Plant Refurbishment ($1.7M)

- 5% of total hydroelectric production from Newfoundland Power
- Major Equipment Issues
  - Outdated and substandard governor
  - Deteriorated hydraulic power unit
  - Outdated and substandard protection and control system display
  - Undersized auxiliary power unit
- Economic lifecycle analysis demonstrates benefit to customers


Auxiliary Power Unit


Governor Hydraulic Power Unit


Governor Control System

Protection and Control System Display


POSI+
POSI+
Whenever. Wherever.
We'll be there.
NEWFOUNDLAND
POWER
A FORTIS COMPANY