Newfoundland Power Inc.

2025 Capital Budget Application

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August 1st, 2024

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Outline

- Background
- 2025 Capital Budget
- Capital Project Overview
- Other Points of Interest

Background


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Capital Planning at Newfoundland Power

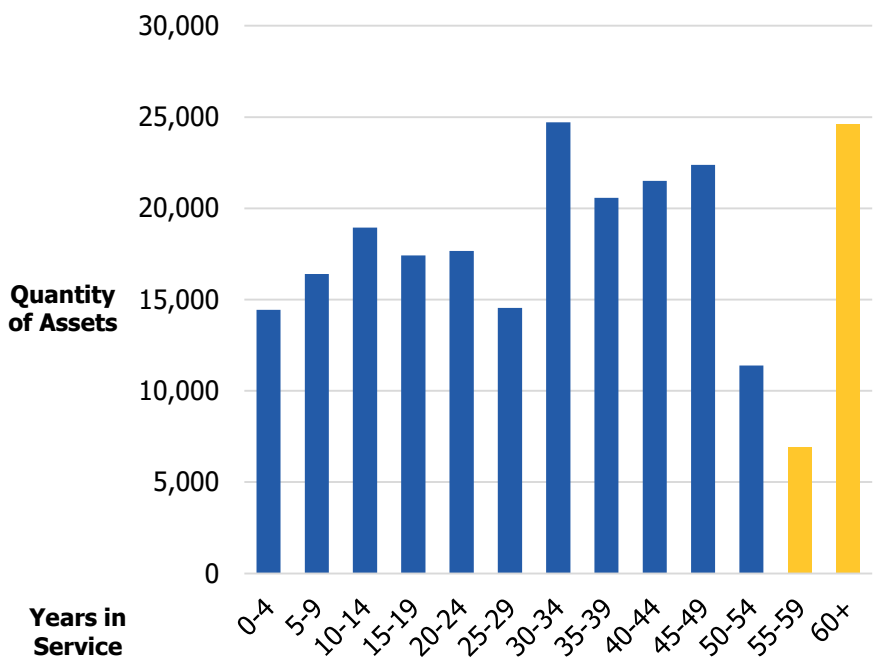
- Comprehensive process determines scope, necessity and timing of capital expenditures
- Based on sound engineering and objective data:
  - Customer Connections
  - System load growth
  - Asset condition
  - Economic factors
  - Industry standards
  - Operational requirements

Deferred/Modified/Advanced Expenditures	
Previously deferred/modified projects proposed for 2025	4
Projects advanced to 2025	0
Projects planned for 2025 but deferred to subsequent years	5

Source: 2025 Capital Budget Application, 2025 Capital Budget Overview, Appendix B

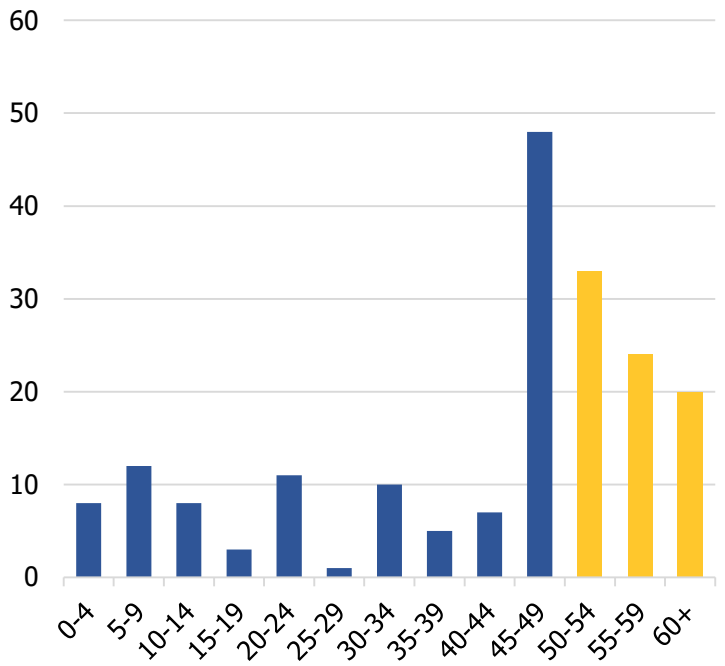
Aging Electrical System

Distribution Wooden Support Structures



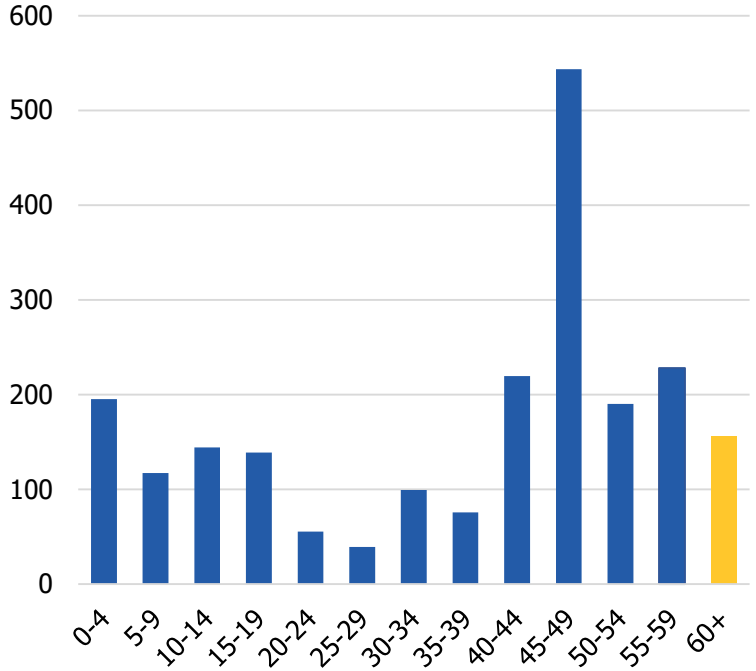
Expected Service Life: 54 Years

Substation Power Transformers



Expected Service Life: 30-50 Years

Transmission Overhead Conductor



Expected Service Life: 63 Years

Source: 2025 Capital Budget Application, 2025-2029 Capital Plan, Section 2.4 Asset Condition Outlook.

2025 Capital Budget

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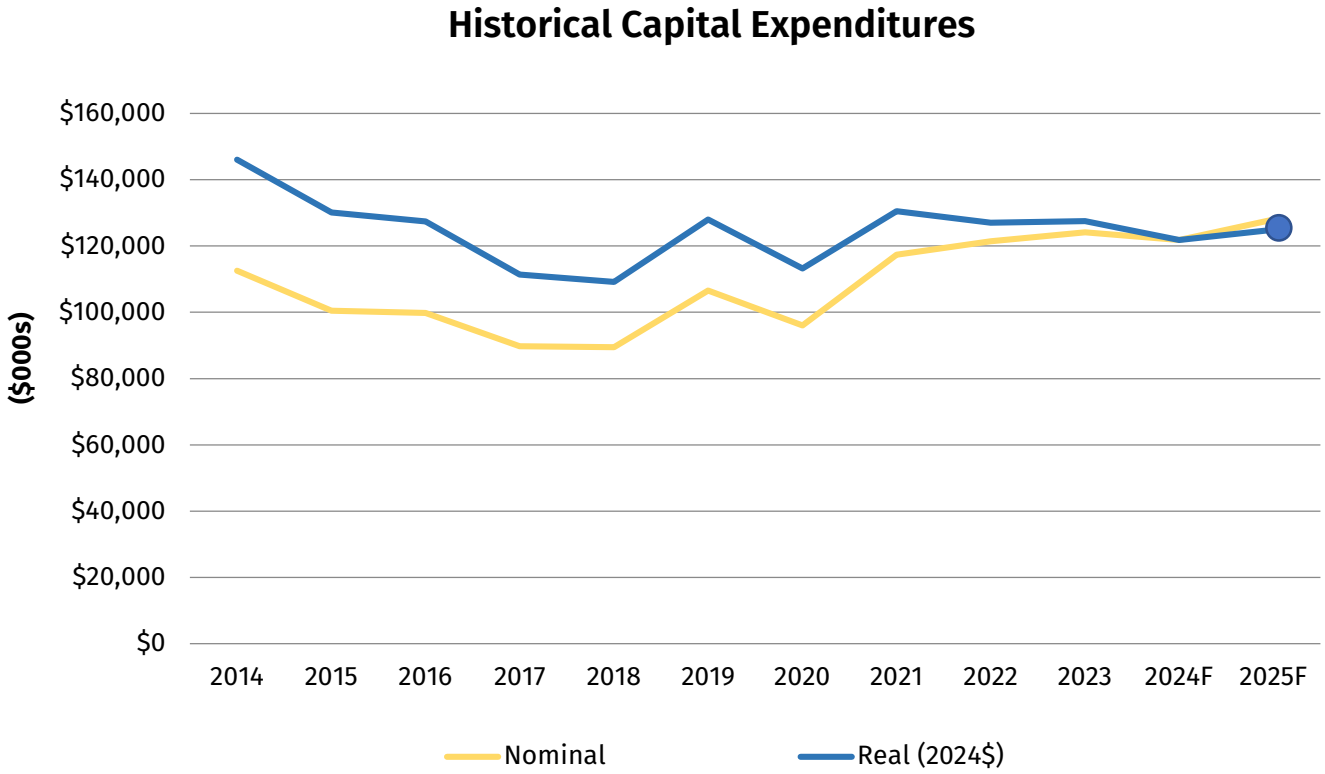
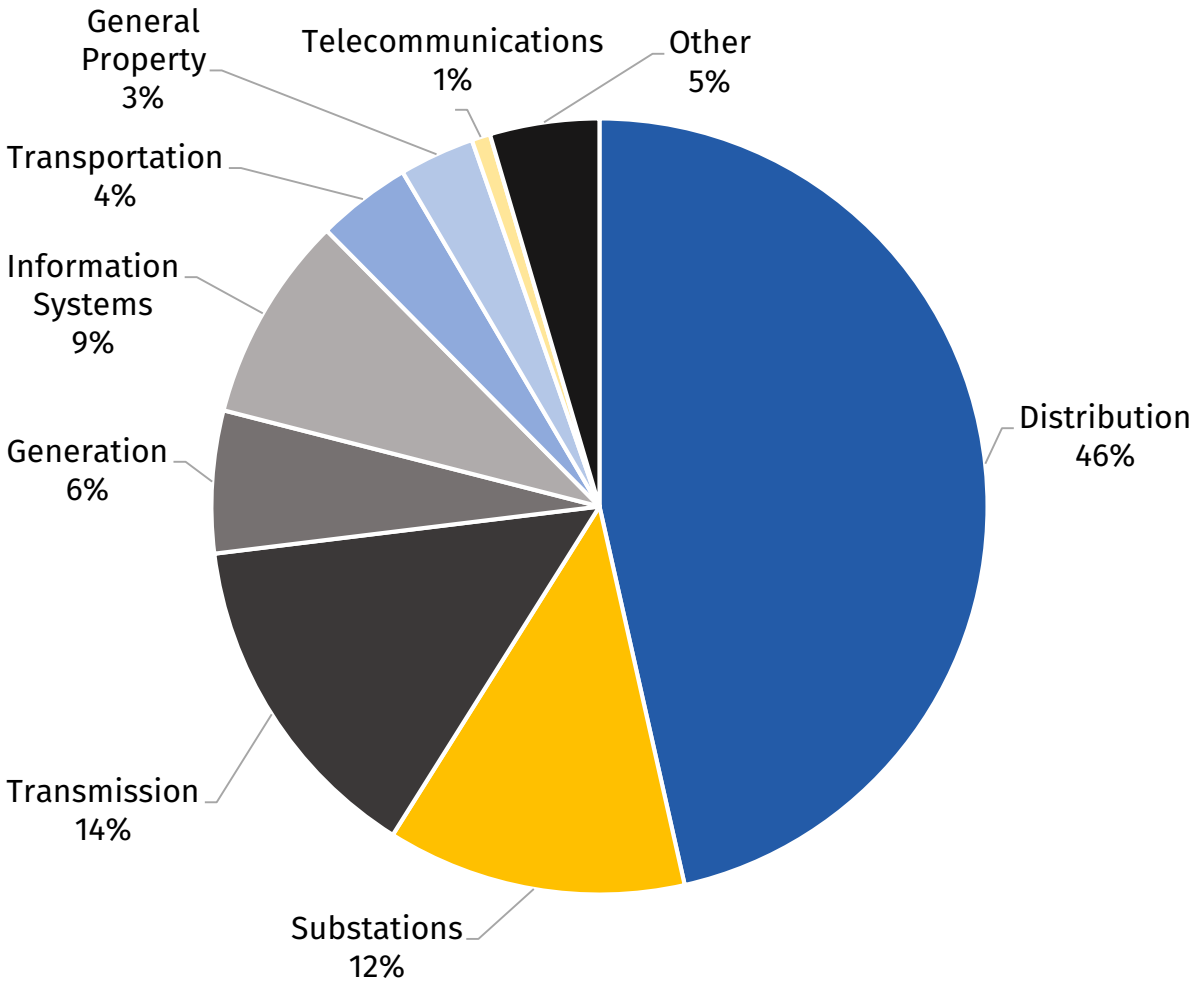
2025 Capital Budget

Expenditure Type	2025 Budget ($000s)
Single-Year >$750,000	79,468
Single-Year	10,850
New Multi-Year	18,219
Subtotal	$108,537
Previously Approved Multi-Year	19,414
Total	$127,951



Source: 2025 Capital Budget Application, Schedule A.

2025 Capital Budget by Asset Class



Distribution Investments

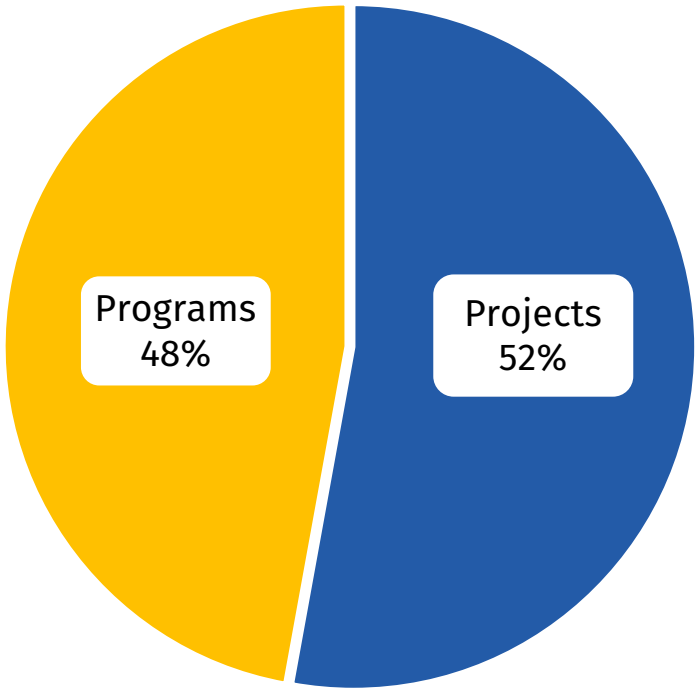
- 2,220 forecasted customer connections
- Maintain electrical system:
  - Two maintenance programs
  - Two feeder refurbishments
- Service enhancements:
  - LED street lights
  - Feeder automation
- Two feeder additions for load growth (St. John's area)

Source: 2025 Capital Budget Application, 2025 Capital Budget Overview, Section 3.2 2025 Capital Budget by Asset Class

2025 Capital Budget by Category

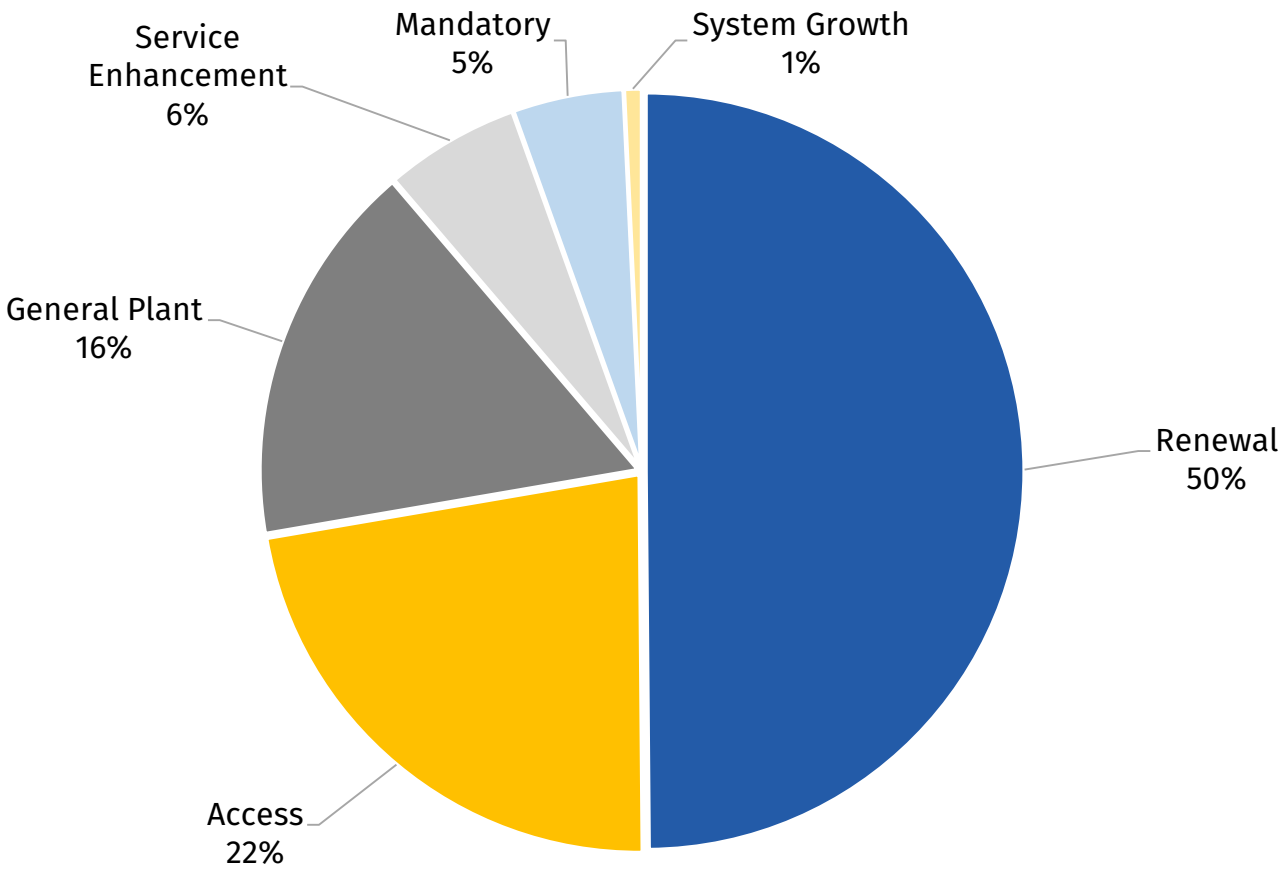
- 39 Projects
  - Defined schedule, scope and budget based on detailed engineering estimates
- 22 Programs
  - High volume, repetitive and ongoing work. Budget based on historical averages.

Expenditure Percentage



Source: 2025 Capital Budget Application, 2025 Capital Budget Overview, Section 3.3 2025 Capital Budget by Category.

2025 Capital Budget by Investment Classification



Renewal Investments

- Primarily condition based
- Corrective and preventive maintenance programs
- Refurbishment projects
  - Four substations for refurbishment and modernization
  - One hydro plant refurbishment
  - Three transmission line rebuilds

 Source: 2025 Capital Budget Application, 2025 Capital Budget Overview, Section 3.4

2025 Capital Budget by Materiality

Threshold	Quantity of Projects/Programs	Percentage of Total Expenditures
Less than $1 million[1]	30	15%
$1 million – $5 million	18	29%
Greater than $5 million	13	56%
Total	61	100%

[1] Includes 20 projects and programs $750,000 and under.

Examples of Projects over $5 Million

- Transmission Line 94L Rebuild
- Asset Management Technology Replacement
- Summerville Substation Refurbishment and Modernization

Source: 2025 Capital Budget Application, 2025 Capital Budget Overview, Section 3.5.

Capital Project Overview

Substation Refurbishment and Modernization

Summerville Substation ($5.0M)

- Supplies 1,100 customers
- Condition:
  - Deteriorated 66 kV and 12.5 kV wood pole infrastructure
  - Deteriorated 66 kV and 25 kV switches

Northwest Brook Substation ($4.2M)

- Supplies 1,800 customers
- Condition:
  - Deteriorated 138 kV and 25 kV switches
  - Removal of high-speed ground switch
  - Deteriorated cross arms
  - Metering tank replacement

 Source: 2025 Capital Budget Application, Report 2.1 2025 Substation Refurbishment and Modernization.

Substation Refurbishment and Modernization

Lockston Substation ($4.8M)

- Supplies 1,100 customers in the Lockston area
- Condition:
  - Deteriorated 66 kV, 46 kV, and 6.9 kV wooden structures
  - Removal of high-speed ground switch
  - 66 kV and 12.5 kV switches at end of life
  - PCBs present in LOK-T1

Source: 2025 Capital Budget Application, Report 2.1 2025 Substation Refurbishment and Modernization.

Substation Power Transformer Replacements

- Most critical and expensive substation asset
- Engineering Assessment
  - Oil Analysis
  - Electrical Testing
  - EPRI PTX Analysis
  - Physical Inspection

Pulpit Rock T2 ($2.9M)

Gander T2 ($4.2M)

Source: 2025 Capital Budget Application, Report 2.2 Substation Power Transformer Replacements.

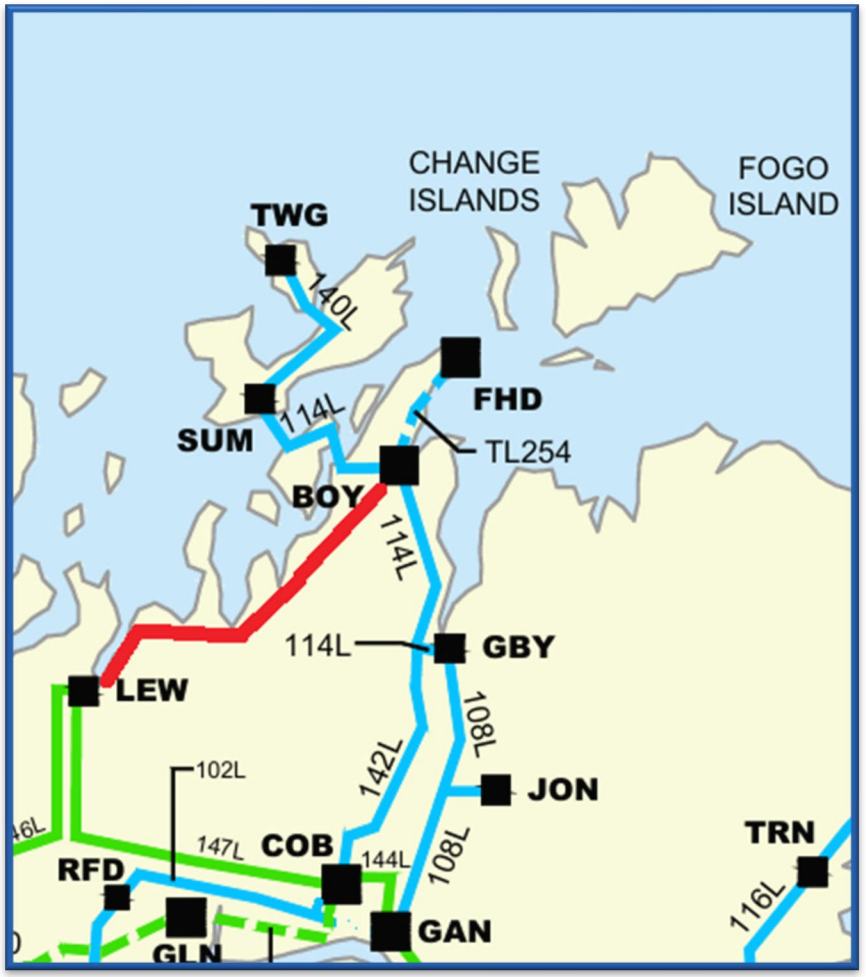
New Transmission Line LEW-BOY ($20.8M)

108L Condition Assessment

- Not seeking approval for replacement
- 60% of poles are deteriorated
- 27% of structures have deficiencies
- 2/0 ACSR conductor
- Non-Standard Construction

Source: 2025 Capital Budget Application, Report 3.1 Gander-Twillingate Transmission Planning Study

New Transmission Line LEW-BOY ($20.8M)



- Planning study assessed alternatives for the:
  - Replacement of GAN-T2
  - Rebuild of Transmission Line 108L
  - 66kV undervoltage system condition

- Planning study results:
  - GAN-T2 installed at Boyd's Cove
  - New transmission line from Lewisporte to Boyd's Cove
  - Retirement of transmission line 108L and JON

Source: 2025 Capital Budget Application, Report 3.1 Gander-Twillingate Transmission Planning Study.

Mount Carmel Pond Spillway Replacement ($4.6M)

- Commissioned in 1954
- Serves Horse Chops and Cape Broyle plants
- 81.6 GWh combined annual production
- Condition
  - Broken stop logs
  - Bent steel supports
  - Cracked concrete
- Net benefit to customers of approximately $0.07/kWh

Source: 2025 Capital Budget Application, Report 4.1 Mount Carmel Pond Dam Refurbishment.

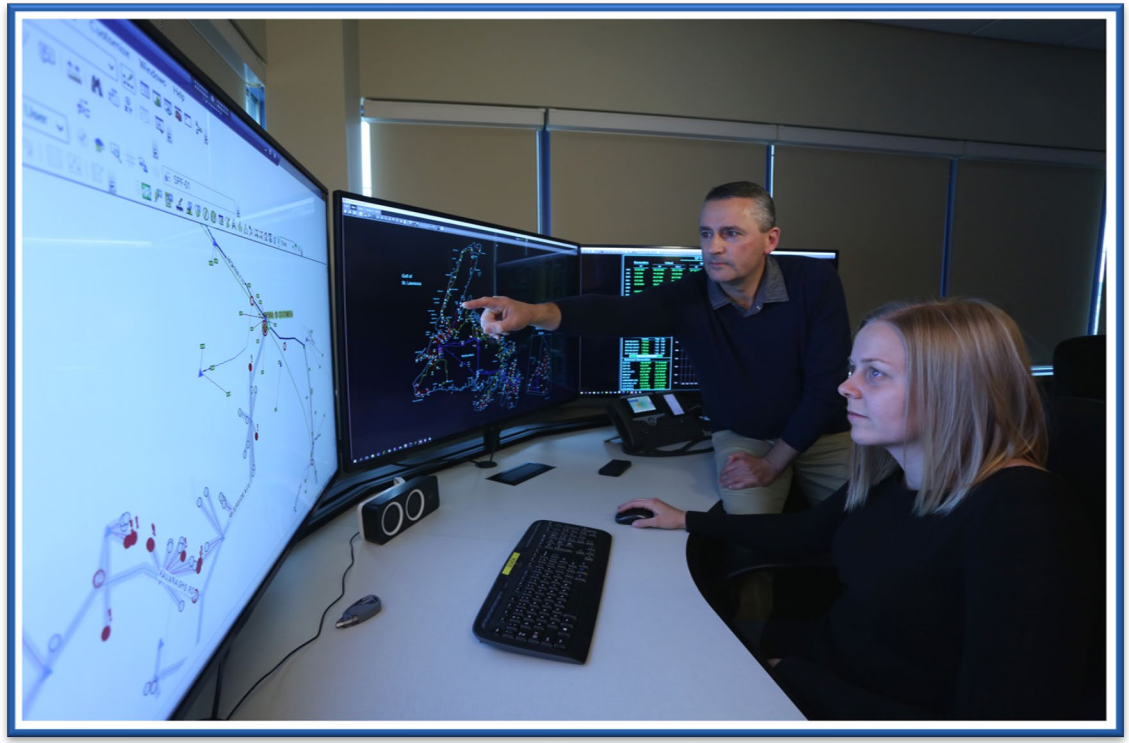
Port Union Building Replacement ($1.3M)

- Converted diesel plant (1945)
- Inadequate framing system
- No HVAC
- Lack of thermal barriers
- Windows in poor condition

Source: 2025 Capital Budget Application, Report 5.1 Port Union Building Replacement.

Outage Management System Upgrade ($3.3M)

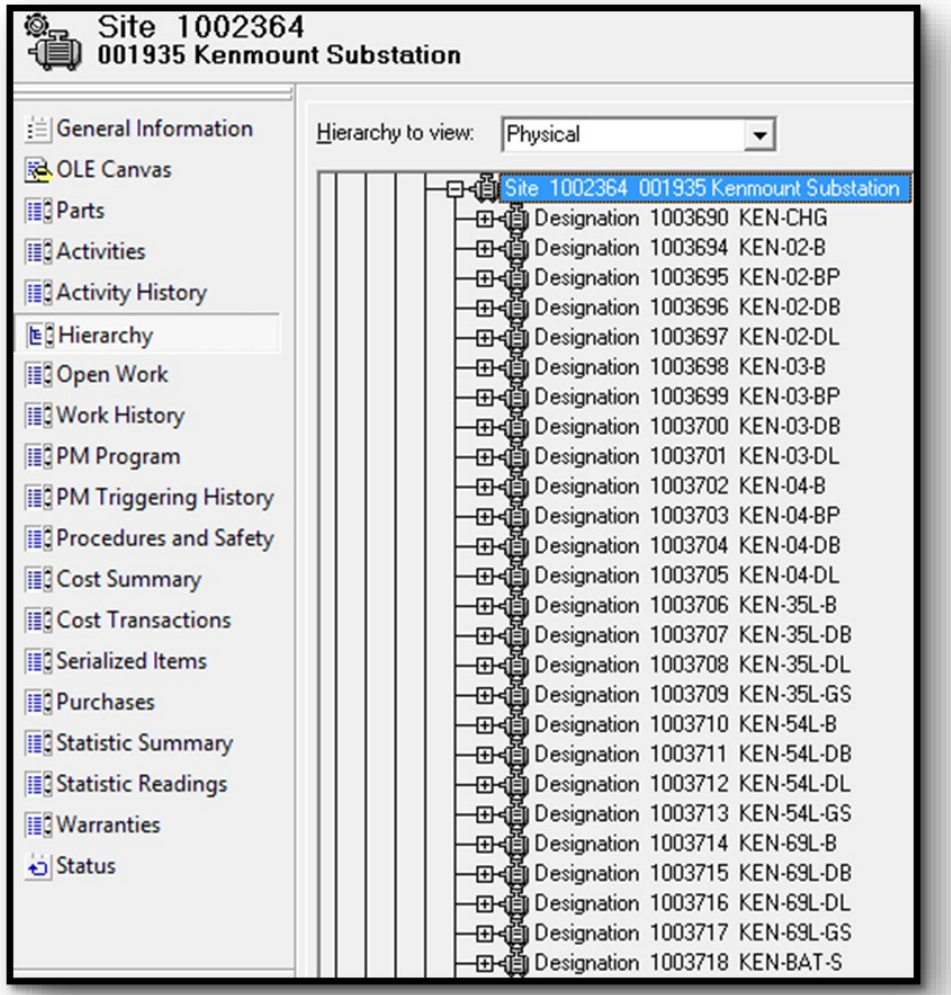
- Critical to outage management and day-to-day operations
- End of vendor support in November 2026
- Necessary for updates, patches and Bug fixes
- Integrated with corporate Geographic Information Systems



Source: 2025 Capital Budget Application, Report 6.1 Outage Management System Upgrade.

Asset Management Technology Replacement ($8M)

- Avantis implemented in 2003, 2005 and 2006
- End of life December 31st, 2026
- Preventative & corrective maintenance
- Work Planning, scheduling & tracking



Source: 2025 Capital Budget Application, Report 6.2 Asset Management Technology Replacement.

Other Points of Interest

Other Points of Interest

- **Transmission Line 94L Rebuild**
  - Change in scope and price since approval in 2022 CBA
- **Historical Averages for Budget Estimation**
  - Consistent with accepted practice
  - Report provided in this application
- **Asset Management Update Report**
  - Included in Capital Plan
  - Implementation plan expected by end of 2024

 Source: 2025 Capital Budget Application, 2025-2029 Capital Plan, Appendix B: Asset Management Update Report

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