

Material Supply Update April 7, 2023

Please know the CPS Energy team is sensitive to all the issues the global supply chain problem is causing our customers. ***Bringing projects to CPS Energy as early as possible and engaging your electrical engineer early can help you better plan for potential and expected delays with transformers and other materials.***

Three-Phase Pad Mount Transformer Update

The current supply chain challenge is impacting three-phase pad mount transformers. These transformers are used to power larger commercial and industrial projects and are used in much lower volumes than the single-phase transformers. Due to this increasing supply chain challenge, we want to communicate that projects requiring three-phase transformers are seeing delays in our ability to energize. The CPS Energy Supply Chain team has been increasing order volumes and is working closely with our suppliers to stay apprised of delivery dates. Please be aware and plan for these expected delays associated with three phase transformers to potentially impact jobs for the next 12 to 18 months by bringing your projects forward sooner. We are encouraging all customers who have an upcoming commercial or industrial project to engage with an electrical engineering firm or certified electrician as early as possible to develop the electrical load information required for CPS Energy to size and order the correct transformer.

Single-Phase Transformer Update

For single-phase transformers the suppliers are not the limiting factor, it is production from the manufacturers that provide the product to the suppliers. Due to raw material, labor constraints, and a booming demand across the nation contributing to the overall supply chain situation regarding transformers, manufacturers are limiting allocations to suppliers and many suppliers are not taking on new customers.

Our single-phase transformer delivery statistics for the fourth quarter are below.

- Our supply chain was expected to receive a little over 1,000 transformers
- Only 55% of the expected quantity was received
- Manufacturers cited staffing shortages and raw material delays with fuses and core steel as the driving cause of delivery shortfalls

Please read these recent national articles published by the American Public Power Association (APPA) and Utility Dive regarding the national shortage of distribution transformers at these links:

APPA article

[Critical Electric Infrastructure and Supply Chain Constraints](#)

Utility Dive article

[Utilities sound alarm over distribution transformer shortage as procurement times surpass 1 year and costs triple | Utility Dive](#)