BEFORE THE
STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

In the Matter of

New York State Electric & Gas Corporation
And
Rochester Gas & Electric Corporation

Cases 19-E-0378, 19-G-0379, 19-E-0380, 19-G-0381

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Prepared Testimony of:
Vegetation Management Panel

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Q. Please state your names, employer, and business address.

A. Our names are Aferdita Bardhi, Melissa Melnik, and Matthew E. Smith. We are employed by the New York State Department of Public Service, or the Department, located at Three Empire State Plaza, Albany, New York 12223.

Q. Ms. Bardhi and Ms. Melnik, are you testifying in another panel in this case?

A. Yes, we are testifying in the Staff Electric Infrastructure and Operations Panel. Please refer to that testimony for our education and professional experience.

Q. Mr. Smith, what is your position at the Department?

A. I am a Utility Analyst II (Environmental) in the Office of Electric, Gas and Water.

Q. Please summarize your educational and professional background.

A. I received an Associate of Applied Science in Pre-Professional Forestry from Paul Smith's College in 1995, and a Bachelor of Science in Forest Management from University of Maine in

1998. I have 14 years of experience in the utility industry and over 18 years of experience in environmental permitting. For the last five years, while employed by the Department, I have worked on matters dealing with electric and gas transmission right-of-way related issues, including: transmission line siting, construction monitoring, and right-of-way vegetation management. Specifically, I have reviewed aspects of each of New York's regulated utilities' electric transmission right-of-way management programs, pursuant to 16 NYCRR Part 84 and Cases 04-E-0822 and 10-E-0155. Program areas that I routinely review include, but are not limited to, utility right-of-way vegetation management plans, budgets, practices, hot spot work, herbicide use, and reliability performance. I have completed the review of various Part 102 projects and participated in several Article VII and Article 10 applications and Environmental Management and Compliance Plan, or EM&CP, filings. My background prior to joining the Department included 18 years of

environmental permitting and construction monitoring for Alpine Land Information Services, Schofield Brothers of New England, and TRC with an emphasis on utility projects. I performed a wide variety of biological field surveys, including wetland delineations, rare species surveys, timber and vegetation mapping and assessments. I was responsible for assessing potential impacts to natural resources. I provided construction inspection support for several utility projects, as well as residential and commercial projects.

Q. Have you previously testified before the Commission?

A. Yes. I provided testimony in Case 18-E-0067 the most recent Orange and Rockland Utilities, Inc. rate case. I also testified in Case 13-T-0585, Cricket Valley Energy Center, which involved the permitting of a new 345-kilovolt, or kV, Transmission Line and the reconductoring of an existing 345-kV Line. I also am assigned to several Public Service Law Article VII and Article X case that are at various pre-

application and application stages. My work on the Article VII and Article 10 cases has entailed reviewing and analyzing routing, general construction methods, and vegetation management for major electric transmission lines and power generation projects.

Q. What is the purpose of your testimony?

A. The purpose of our testimony is to present recommendations addressing New York State Electric & Gas Corporation, or NYSEG, and Rochester Gas and Electric Corporation, or RG&E, vegetation management expenditures. We also will refer to NYSEG and RG&E collectively as the "Companies."

Q. Is the Panel sponsoring any Exhibits?

A. Yes, we are sponsoring Exhibit__(SVMP-1), Exhibit__(SVMP-2), and Exhibit__(SVMP-3).

Q. Would you please describe your Exhibits?

A. Yes. Exhibit__(SVMP-1) contains responses to several Department Staff Information Requests, or IRs. Exhibit__(SVMP-2) contains a list of NYSEG circuits the Panel recommends for reclamation. Exhibit__(SVMP-3) provides the

Companies' proposed vegetation management spending and adjustments made by the Panel.

Distribution Vegetation Management

Q. Did NYSEG and RG&E request incremental funding for electric distribution vegetation management?

A. Yes. The Companies discussed the need for incremental funding to support three programs: a routine distribution trimming program; an emerald ash borer program; and the establishment of a resiliency trimming program, which would perform ground-to-sky clearing on a limited number of circuits. As a result, NYSEG is requesting a total of $82.2 million in incremental funding for the three programs and RG&E is requesting a total of $9.6 million for the three programs.

Routine Distribution Trimming Program

Q. Did NYSEG or RG&E propose changes related to the routine distribution trimming program?

A. RG&E proposes to continue its full-cycle vegetation management trimming with minor cost increases primarily due to inflation. NYSEG

proposes moving to a full-cycle distribution vegetation management program.

Q. Does the Panel have any concerns with RG&E's proposal for the Rate Year?

A. No. We find RG&E's program to be reasonable and accept the Company's proposal.

Q. Please describe NYSEG's existing routine distribution trimming program.

A. In NYSEG's last electric rate case, 15-E-0283, the Commission increased NYSEG's vegetation management budget from $20 million annually to $25 million in the Rate Year Ending, or RYE, 2017, and $30 million in both RYE 2018 and RYE 2019. The budget allowed for targeted trimming with minimum annual mileage targets.

Q. Describe NYSEG's full-cycle distribution vegetation management program proposal.

A. NYSEG intends to complete a full-cycle trimming program by trimming its 34kV circuits on a four-year cycle and the remaining distribution circuits on a five-year cycle. Additionally, the proposal includes an eighteen month ramp up with a levelized Rate Year impact and a ten-year

amortization period.

Q. What impact would the levelized amortization have in Rate Year 1?

A. In Rate Year 1, NYSEG proposes to collect an incremental $19 million to offset the high costs associated with performing increased work in future years of its proposed full-cycle trim program.

Q. What did NYSEG propose to accomplish in Rate Year 1 of its full-cycle trimming program proposal?

A. NYSEG proposes trimming about 70 percent of one-fifth of all distribution circuits, which includes some reclamation miles.

Q. How does NYSEG use the term reclamation?

A. Reclamation of a circuit refers to the trimming of overgrown sections of a circuit or entire circuits, specifically mileage that has not been trimmed in over five years.

Q. Has NYSEG estimated how much of its distribution system needs to be reclaimed or trimmed to full specifications?

A. Yes. The Vegetation Management Panel states on

page 4 of its pre-filed Direct Testimony that 44 percent of NYSEG's distribution system will be out-of-cycle by 2020.

Q. How did NYSEG develop the costs for the full-cycle vegetation management program?

A. NYSEG employed a vegetation management consultant, ECI, to develop its forecasted costs. The Company explains in its response to DPS-255 that ECI used industry standard man-hour production rates to build up unit costs. These unit costs were factored up so that the unit costs used were closer to NYSEG's actual costs.

Q. Did ECI provide an explanation for using the industry standard numbers and working up from a per tree unit cost?

A. Yes. ECI explained that NYSEG unit rates were over-inflated and, therefore, did not provide the best cost basis for a full-cycle program.

Q. Did NYSEG include questionable additional costs in the full-cycle cost projection that it filed?

A. In the Companies' workpaper VMP-7, NYSEG included additional costs for service pruning and wood removal.

Q. Does the Panel consider these costs appropriate to include in the program?

A. No. The Companies should not be performing these tasks using ratepayer dollars. The Companies have specification on how to deal with wood waste. If followed properly, customers should be able to remove the waste on their own. This practice is consistent with other utilities in New York State.

Q. Did NYSEG justify the costs for a full-cycle vegetation management cycle?

A. No. The Panel has several concerns regarding NYSEG's proposal.

Q. Please elaborate.

A. We have concerns with the methodology used to calculate the forecasted program costs. Typically, full-cycle costs are developed using historical costs on a per mile basis. NYSEG's historic costs show a wide variance in costs per mile depending on where in the state the trimming was performed. This volatility is attributable to inherent conditions such as tree density. NYSEG's proposal to build up the costs

from a contractor man-hour tree trimmed unit, then factored up several times, fails to account for regional differences and, therefore, leaves too much room for error. ECI attempts to modify its costs to better represent the costs typically realized historically. However, this attempt appears to be arbitrary and only emphasizes that the model produced inaccurate costs.

Q. What other issues does the Panel have with the proposal to implement a full-cycle trimming program?

A. Reliability is the basis for trimming because it is intended to reduce the impact that trees may have on the electric system. However, NYSEG's plan for the full-cycle trim does not adequately address the divisions within the utility's service territory that have the greatest reliability concerns.

Q. Why is this a concern?

A. We are concerned that the plan is too open-ended and that the worst performing circuits would remain untrimmed until the later years of the

five-year cycle, which could be part of the next rate filing.

Q. How do the Companies define a worst performing circuit?

A. In each operating division, the Companies select the least reliable (lowest 5% performance level) circuits based on frequency reliability performance. These circuits are included in the Companies' annual reliability report which is submitted by March 31st for Department review.

Q. Does the Panel have a vegetation management proposal to address reliability concerns associated with worst performing circuits?

A. Yes. We propose that $17 million of incremental vegetation management expenditures be tied to the reclamation of circuits that have not been trimmed in over five years in three focused areas. The first area is worst performing circuits identified in Exhibit__(SVMP-2). The next area is three-phase 34.5 kV circuits that have not been trimmed in over five years. The last area is single phase 34.5 kV circuits that have not been trimmed in over five years.

Q. How did the Panel select the circuits targeted for reclamation in Exhibit__(SVMP-2)?

A. The Panel's goal was to triage worst performing circuits where the majority of outages were attributed to trees, particularly those circuits that repeated as poor performers. To define this group of circuits, we began by reviewing the trimming history of worst performing circuits that serve greater than 1,000 customers. This information was provided as part of the Company's Resiliency Panel's confidential workpaper.

Next, we reviewed interruption performance data to limit the circuits to those that had not been trimmed prior to 2013. Last, we included circuits where most of the interruptions were due to tree contact within the ROW in years 2016, 2017, and/or 2018. Exhibit__(SVMP-2) includes circuits for which additional trimming should lead to improved reliability performance for a sizable group of customers.

Q. Why is reclaiming 34.5kv circuits a priority?

A. We prioritized 34.5kv circuits because they

often serve as sub-transmission facilities by supplying power to lower voltage distribution substations. They also directly supply industrial and commercial customers, and large customer counts. We prioritized circuits needing reclamation because they likely have more vegetation encroachment that presents an increased risk of damage to infrastructure that may cause an outage.

Q. What is the Panel's proposal for the incremental $17 million in addition to the circuits in Exhibit__(SVMP-2)?

A. NYSEG should focus on reclamation trimming on the 34.5 kV circuits that have not been trimmed in over five years.

Q. Does the Panel expect NYSEG to trim all the 34.5kV circuits that have not been trimmed over the past five years in Rate Year 1?

A. No. We understand that the 34.5 kV distribution circuits needing reclamation trimming is greater than 50 percent of the distribution circuit miles trimmed by NYSEG in 2018. This is more than NYSEG reasonably should be expected to

complete in addition to its other trimming work. However, focusing NYSEG's efforts in targeted areas for reclamation provides trimming in areas needed while allowing the Company the flexibility to maximize contractor resources to perform tree trimming in an efficient manner.

Q. Please summarize your proposal for NYSEG's Rate Year routine and reclamation vegetation management program.

A. We recommend that NYSEG continue to perform routine vegetation management at the Historic Test Year funding level of $30 million. Additionally, the Company shall focus reclamation efforts in the specific areas above using the incremental funding of $17 million.

Q. Does the Panel have additional recommendations for NYSEG's vegetation management plan?

A. We recommend that NYSEG report on its vegetation management plan on a quarterly basis. The quarterly reports should include, broken down by month and contractor: the number of miles trimmed; circuit names, numbers, voltage, phase, and locations; and reclamation expenditures.

Danger Tree/Emerald Ash Borer

Q. Please describe the current state of the emerald ash borer infestation in the NYSEG and RG&E service territories.

A. The emerald ash borer has continued to spread across New York despite efforts to contain infested areas. The New York State Department of Environmental Conservation published an updated map as of July 2019 which shows that the emerald ash borer has been detected in the majority of the NYSEG and RG&E service territories.

Q. Do the Companies track emerald ash borer related outages?

A. The emerald ash borer has caused interruptions within both service territories. For this reason, the Companies have been using distinct reliability cause codes to document these interruptions since 2017. The Companies' response to DPS-248 shows a steady increase in interruptions caused by trees located outside of the right-of-way (ROW), as well as emerald ash borer related interruptions.

Q. How do the Companies currently fund emerald ash borer mitigation?

A. The Companies currently fund emerald ash borer mitigation through their hot spot/unit hazard tree general funds.

Q. Is it proper to consider an infested ash tree a danger tree?

A. Yes, it should be categorized as a danger tree if it is compromised and expected to fall onto an electric line upon failure, which would jeopardize reliability. A tree infested with the emerald ash borer fits this definition.

Q. How do the Companies propose to address the emerald ash borer infestation?

A. The Companies propose an Ash Tree Mitigation program to address this infestation. The Companies' recommendation is to proactively mitigate the problem by removing ash trees before obvious structural decline and continue the removal of deteriorating ash trees.

Q. Do the Companies know how many ash trees exist in their service territories?

A. The Companies estimated that they will need to

remove nearly 299,000 ash trees across both service territories. This level, however, is based on the ECI 2010 workload study as mentioned on page 9 of 66 of Exhibit__(VMP-2).

Q. How do the Companies plan to implement the Ash Tree Mitigation program?

A. As discussed in its response to DPS-248, the Companies plan to prioritize divisions with the highest concentration of ash trees. These divisions include Lancaster/Lockport, Oneonta, Brewster, Binghamton, Hornell, as well as all divisions within the RG&E territory. In all other divisions they will focus on ash tree removals as necessary. Priority will be given to the highest voltage class three phase lines from the substations to the first protective device, as well as single phase lines with high customer counts.

Q. Have the Companies identified how many ash trees have been removed to-date from their service territories?

A. No. The Companies' current work management system lumps all activities, prunes and

removals, completed in a span of overhead into one cost collector. The Companies reported in their response to DPS-367 that tree removal by species is not categorized.

Q. Do the Companies provide a forecast for the Ash Tree Mitigation program in the Rate Year?

A. Yes. In Workpaper NE-RRP-2-WP-03, NYSEG plans to spend $12.4 million in the Rate Year. RG&E plans to spend $2.1 million as shown in Workpaper, RE-RRP-2-WP-03.

Q. Did the Companies propose an amortization for the Ash Tree Mitigation program?

A. Yes. The Companies proposed amortizing the costs associated with the Ash Tree Mitigation program over thirty years. In the Rate Year, the Companies' amortization results in no revenue requirement impact. The amortization is -$12.4 million for NYSEG, and -$2.1 million for RG&E resulting in no revenue requirement impact.

Q. Does the Panel have any concerns with the Ash Tree Mitigation program?

A. Yes. While we agree that utilities should pro-actively address the threat presented by the

emerald ash borer infestation, there is uncertainty in the actual number of ash trees within their service territories, and the amount of trees that are infested now or are likely to become infested. Therefore, it is difficult to estimate the number of trees that need to be removed.

Q. Are ash trees the only species of trees responsible for interruptions?

A. No. Storm activity and trees declining for reasons other the emerald ash borer have caused the number of interruptions from trees outside of the ROW to increase.

Q. What do you propose to resolve this?

A. The Panel recommends rejecting the 10-year Ash Tree Mitigation program in favor of a new Danger Tree program. This new program would address danger trees outside of the ROW including but not specifically limited to ash trees with Rate Year funding of $10 million for NYSEG and $1.575 million for RG&E. Tree removal shall focus on the 3-phase portions of the distribution systems to obtain the maximum benefits. Additionally,

the Panel finds the 30-year amortization period to be unreasonable at this time and recommends that it be rejected.

Q. Did the "2018 Winter and Spring Storms Investigation Report" (Storm Report) issued in Case 19-M-0285 reference Danger Tree programs?

A. Yes. This report references the importance of Danger Tree programs to address trees outside of the ROW. The Danger Tree program that we recommend addresses the need referenced in the Storm Report.

Q. What will happen if the Companies fail to spend the recommended budgets?

A. Ratepayers would be harmed by over-paying for tree removal if the Companies fail to spend their Danger Tree removal budgets. To protect ratepayers, we propose to include a downward-only true-up in the Danger Tree program. Thus, if actual expenditures for this program are less than the budget provided for in the Rate Year, the shortfall and appropriate carrying charges must be deferred for ratepayer benefit.

Q. Does the Panel have additional recommendations?

A. We recommend that the Companies file quarterly reports that specify the number of danger trees identified and removed, the species of each danger tree, and the circuit where the danger tree was located. The quarterly reports also should present Danger Tree program expenditures, broken down by month and contractor. The Panel also recommends that the Companies either train crews to identify ash trees or send out an arborist to respond to system interruptions. This would enable the proper use of ash tree related reliability cause codes. Our proposed Danger Tree program will enhance the reliability performance metric data as well as quantify the impacts of hazard trees resulting from the infestation of the emerald ash borer.

Resiliency /Enhanced Vegetation Management

Q. What is Enhanced Vegetation Management?

A. The Companies developed Enhanced Vegetation Management (EVM) as part of their new Resiliency Plan. The Enhanced Vegetation Management Program includes "ground-to-sky" tree trimming

and hazard tree removals.

Q. What level of expenditures did the Companies forecast for the Rate Year?

A. The Company included $15.8 million for NYSEG and $1.3 million for RG&E.

Q. Where were these efforts focused?

A. In NYSEG's territory, most of the EVM projects are located in the Brewster Division, which is the only division on a full-cycle trim program. RG&E is on a full-cycle trim program and has only four divisions.

Q. Does the Panel consider the EVM proposal to be reasonable?

A. No, not at this time. As a result of the Staff Electric Infrastructure and Operations Panel's recommendation to re-engineer the scope and location of projects, the need and cost requirements for ground to sky trimming is undefined. Additionally, EVM work may not be necessary if the resiliency project is to mitigate the likelihood of customer outages due to non-vegetation issues such as equipment failures, lightning, or accidents. NYSEG should

focus on reclaiming circuits in its service territory and RG&E should continue to maintain the full-cycle trim in its service territory.

Q. Does the Panel consider the hazard tree component of the EVM program to be reasonable?

A. No. As mentioned above, the Companies' proposal is not designed appropriately. The Danger Tree program we propose would consider reliability data as well as the tree risk factor information provided in the Companies' last tree study. This would provide a more balanced program.

Q. Balanced in what way?

A. A properly-designed Danger Tree Program should focus on all divisions. In contrast, NYSEG's proposed EVM program is heavily concentrated in the Brewster Division.

Q. What does the Panel recommend regarding the EVM program.

A. At this time, the Panel does not recommend funding the EVM program.

Distribution Vegetation Mileage Targets and Revenue Adjustments

Q. Describe the Distribution Mileage Targets and corresponding Negative Revenue Adjustment (NRA) that were used in Cases 15-E-0283 et al.

A. In the last rate case, minimum mileage trimming targets were set for both NYSEG and RG&E. The Companies were subject to an NRA if they failed to meet the minimum target number of distribution miles trimmed.

Q. Did NYSEG and RG&E meet the minimum targets established in the last rate case?

A. Yes.

Q. Did the Companies testify to continuing the vegetation management NRAs?

A. No, they did not.

Q. Does the Panel propose a distribution vegetation management NRA for RG&E?

A. No. RG&E has been on a full-cycle program for several years and consistently has met its annual mileage targets.

Q. Does the Panel propose a distribution vegetation management NRA for NYSEG?

A. No. NYSEG historically has done a good job at meeting their mileage targets. We are concerned, however, that continuation of the past NRA may not result in NYSEG trimming where needed for reliability. Because of the efforts involved with reclaiming circuits that have not been trimmed for several years, there is a risk that the Companies could target circuits that are easier to trim in order to satisfy mileage targets and avoid the NRA rather than focusing its efforts where it benefits the customers the most. The Companies instead should reach circuits with the greatest trimming needs.

Reconciliation Mechanism

Q. How does the current Vegetation Management reconciliation work?

A. NYSEG and RG&E each have a separate downward-only reconciliation for both distribution and transmission vegetation management programs.

Q. Please explain.

A. Each Company will calculate any under-spending in distribution vegetation management in a

calendar year. If expenditures are less than funding levels, the Company will defer the shortfall for use in subsequent calendar years on vegetation management for the benefit of its customers. Additionally, NYSEG distribution vegetation management funds shall not be used for NYSEG transmission vegetation management.

Q. Are NYSEG and RG&E proposing to change the accounting treatment of vegetation management costs?

A. Yes. Currently, the Companies' vegetation management expenditures are subject to a downward-only reconciliation mechanism. If the Companies spend less than is provided for in rates, the under-spent level is deferred for the benefit of ratepayers. The Companies propose a that a two-way reconciliation be adopted instead for vegetation management spending.

Q. Why are NYSEG and RG&E proposing a two-way reconciliation?

A. The Companies argue that distribution vegetation management costs are subject to competitive bids and may not be known ahead of time. The Panel

believes that the competitive bid process is a key aspect of the electric utility business. It is necessary for the utilities to continuously track vegetation management trends in the industry. Including a two-way reconciliation mechanism may lead to complacency and diminish the proactive management of contractor resources. Therefore, we do not support the use of two-way reconciliation, as proposed by the Company.

Q. Please continue.

A. The workplan we identify is not based on an average cost per mile. For this reason, it is flexible enough to enable variations in contractor costs and reduce the potential need for a two-way reconciliation mechanism. Additionally, the Companies should be seeking methods to leverage cost discounts given the increased volume of trimming that will occur as compared to prior years.

Q. Does the Panel recommend any changes to the reconciliation mechanism?

A. Yes. We recommend that a downward only true-up

remain in place to verify that the spending recommended is used as described earlier.

Q. How should the reconciliation be categorized?

A. Each program should be reconciled individually. For example, the RG&E distribution full-cycle program should be tracked separate from the Danger Tree program.

Q. How should the reconciliation be categorized at NYSEG?

A. At NYSEG, the $30 million distribution vegetation management program, the $17 million reclamation program, and the $10 million Danger Tree program should all be tracked separately.

Q. Are there any other details that should be included in the reconciliation mechanism?

A. Yes. If the amount expended by a Company program is less than the Company's funding level target, that Company will defer the shortfall for use in subsequent calendar years.

Transmission Vegetation Management

Q. Please describe the Companies' transmission ROW vegetation management program.

A. The Companies' transmission vegetation management program covers routine ROW maintenance activities including herbicide application, vegetation cutting, danger tree removal, side-trimming, and edge reclamation on transmission line ROWs.

Q. What level of funding do the Companies propose for transmission ROW vegetation management for Rate Year 1?

A. According the Companies, NYSEG is requesting $6.4 million and RG&E is requesting $2.0 million for transmission ROW vegetation management for Rate Year 1 with additional increases in the following years to account for inflation.

Q. Does the panel have any objection to this level of funding?

A. No.

Q Did the Companies request additional funding for vegetation management along the transmission system?

A. Yes. The Companies made a supplemental request of $1.2 million, broken up over the next ten years, for their transmission programs to remove

ash trees due to the emerald ash borer.

Q. Is the additional funding reflected in the workpapers filed in the case?

A. No. According to the Companies' response to DPS-461, the funding was not included in the filing, but it will be included in their rebuttal testimony on revenue requirements.

Q. Does the Panel have any concerns regarding how the emerald ash borer program was proposed for the transmission system?

A. Yes. The Companies' estimate for the number of ash trees located along the transmission ROW is based on an Avangrid's "NYSEG Distribution System Cycle Optimization Study" that was performed by ECI on the distribution system in 2010. The Companies then applied the ECI study to their transmission systems. According to the Companies, there are approximately 8,000 ash trees along their transmission systems. This would lead to the removal of an average of 800 ash trees per year, for each of the next ten years, under their proposal.

Q. Does the Panel agree that this estimate

accurately represents actual conditions along the Companies' transmission ROWs?

A. No. The ECI study examined only vegetation management on the distribution system. Vegetation management for danger trees including ash trees, however, is very different for transmission systems. The ECI study thus does not support the Companies' estimate for conditions along their transmission ROWs.

Q. Was any actual field data collected to verify the ash tree estimate for the electric transmission system?

A. No. Neither the Companies nor the ECI study could provide any field data to support this estimate. In addition, although this study may be representative of ash trees located under and immediately adjacent to the distribution system, the Companies' transmission lines are managed differently than the distribution lines. Also, the transmission system traverses a variety of environments and landscapes that differ from the distribution system. The Companies conceded in response to DPS-422 that changes in land use and

landscape were not considered in the estimate of the number ash trees that need to be removed.

Q. Why is this concession significant?

A. The ECI study addressed ash trees located under and immediately adjacent to distribution systems. However, there should be no ash trees in the transmission ROWs if the Companies follow their Specification for Transmission Right-Of-Way Vegetation Maintenance. The study results also are skewed to a higher estimate by failing to account for environmental attributes such as open field or other land uses where no trees exist.

Q. Was any historical information or other data provided to support the Companies' position regarding the number ash trees along their electric transmission systems?

A. No. The Companies acknowledged in response to DPS-422 that they could not provide the species of danger trees removed because they do not track that information.

Q. Is there any other information that leads the Panel to conclude that there would be fewer ash

danger trees existing along the transmission ROW than estimated in the ECI study?

A. Yes. According to the Companies' response to DPS-244, excluding sub-transmission, an average of 1,600 danger trees for all species were removed over the past four years along the transmission system. Yet according to the Companies' response to DPS-243, they are anticipating that 679 ash trees annually would be removed from the transmission system for the next three rate years. This is more than a third of all species of danger tree removed in recent history. According to the ECI study, however, approximately 10.5 percent of the tree species located under and immediately adjacent to the distribution system were ash trees. Considering that danger trees along the transmission system would be rooted outside the ROW, not all ash trees identified would be danger trees; for example, a tree leaning away from a transmission line versus towards the line.

Q. Does the Panel disagree with the Companies'

supplemental request as it relates to ash tree removals along the transmission system?

A. Yes. The Companies have included the sub-transmission line in their transmission budgeting and the sub-transmission and transmission systems should be addressed separately when discussing danger trees. The Commission order issued on June 20, 2005 in Case 04-E-0822 require the Companies to have a danger tree program for transmission lines 69kV and up. Thus, the Panel disagrees with the additional ash tree removal funding. If the Companies believe that a limited number of danger trees along the sub-transmission system need to be removed, the removals should be funded from the new distribution Danger Tree program discussed above.

Q. Does this conclude your testimony?

A. Yes.