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Witness: John P. DiPaola-Tromba, Sean D. Redding and Jenna Turner
Request from: Office of Consumer Counsel

Question:

(VMP/Budget)
Provide a budget breakdown, including allocation and actuals, for prior years, across the same line items provided in the proposed program budget for 2027 as outlined in Exhibit CLP-VMP-2 page 25 of 29 (noting that there is a VMP costs by program component on page 26 of Exhibit CLP-VMP-1, but it does not use all the same line items making comparison a challenge).

a. For each line item with an increase in the proposed 2027 from the actual 2025 expenditure, explain and qualify all the drivers of the proposed increase.
b. The 2027 budget breakdown, provided on Exhibit CLP-VMP-2 page 25 of 29, totals 89.6mill, the same as the total request in the . What will the contribution from Frontier of 13.5M be spent on?
c. Please provide the Company's analysis demonstrating that the proposed budget does not result in diminishing returns each year?
d. Provide any analyses comparing the benefits achieved during the initial ETT cycle to those achieved during subsequent cycles.

Response:

Please refer to Exhibit OCC-102, Attachment 1, for the requested breakdown of the 2025 cost (Exhibit CLP-VMP-1, page 26) and the proposed budget for 2027 (Exhibit CLP-VMP-2, page 25).

a. The following program components are new programs and do not have a direct Test Year comparison: Risk Tree Removals ("RTR"), Reliability Tree Work ("RTW"), and LiDAR.

   The following programs had increases from the Test Year actual in 2025 to the proposed budget in 2027:

   - The Roadside Schedule Maintenance increase reflects the estimated costs for a four-year scheduled maintenance cycle with contractor increases due to inflation. The proposed plan shifts away from prioritization and field assessment towards a strategy of maintaining the entire circuits all at once. This approach is driven by the LiDAR pilot results showing high levels of vegetation encroachment 3 years post trimming on circuits due for scheduled maintenance the following year. The budget was developed using cost per mile estimates that include contractor rate

increases. Actual costs will be updated at the completion of the current RFP for 2027-2030 vegetation management pricing.

- The RTR budget is converted funds from previous Enhanced Tree Removal ("ETR") capital dollars to expense dollars.

- Distribution Rights-of-Way ("D ROW") is being funded with previous Customer Focus Enhanced Tree Trimming ("ETT") and Expense funds to support the scheduled distribution ROWs cycle for side trimming and brush control, including maintenance ETT where ETT specification was achieved.

- Emergency is a planned budget to cover blue sky emergency tree contractor call outs to outage and non-outage tree OMS events. The 2027 proposed budget is an increase over the 2025 actual, however the proposed budget has remained steady at $2,000,000 for several years. The emergency program spend is highly weather dependent and the budget must account for busier years.

- Vines was increased to allow for two years of backbone circuit miles to be treated instead of one year. The circuit backbones that are not due for mid-cycle or scheduled maintenance will be treated for vines each year. Through this approach, all backbone miles will be covered for vine treatment every year.

- Emergent Work has been increased to support the volume of customer and tree warden inquiries regarding dead and declining trees and in anticipation of increased tree stress and mortality due to beech leaf disease and spotted lanternfly.

- Mid-Cycle is a historic program that is being funded again given the results of the LiDAR analysis. The LiDAR analysis shows there is encroachment across the system that should be addressed sooner due to consent limitations and varying tree growth rates. The program will support hot spot trimming across approximately 1,000 to 1,200 miles of backbone each year.

- CT DOT Program is moving from Capital to Expense and has increased due to projected increases in contractor costs.

- LiDAR is a new remote sensing technology program that will facilitate the annual collection of ground-based LiDAR collection of the upcoming year's scheduled maintenance circuits as well as off-cycle backbone miles for Midcycle and RTW prioritization. This program has been added following a successful pilot of ground-based LiDAR highlighting how this data-driven approach can improve prioritization of the VMP.

- Other expenses has been increased to support Energy Saving Trees Arbor Day locations, right-tree, right-place education, transformer enclosure maintenance, and other smaller programs.

b. Please refer to Exhibit CLP-VMP-1 at page 44 on lines 16-21. The Company is presenting the total VMP annual budget that aligns with its workplan. However, a portion of this annual budget will be recovered from Frontier Communications. Pursuant to the agreement between Eversource and Frontier Communications, the Company is reimbursed for 15 percent of all vegetation management O&M costs. This reduces the total annual VMP costs to be recovered from customers in base rates from $89.6 million to approximately $77 million.

c. The nature of utility vegetation management is to remove and maintain encroaching vegetation within defined and approved specifications along the electric system to maintain system reliability; however, due to the natural system in which the VMP operates, and the continual growth of vegetation in CT, the cost of maintaining the encroachment is incurred annually through the Scheduled Maintenance Trimming ("SMT") program. Trees removed through the proposed Risk Tree Removal ("RTR") and Reliability Tree Work ("RTW") programs would no longer need to be maintained in future cycles and would not result in diminishing returns.

d. Please refer to Exhibit CLP-VMP-4. The University of Connecticut 2022 Study, A Statistical Framework for Evaluating the Effectiveness of Vegetation Management in Reducing Power Outages Caused during Storms in Distribution Networks, demonstrates that, "enhanced vegetation management is particularly helpful in reducing trouble spots for lower severity storms, with reductions between 45.8% and 63.8%, and substantially reduces trouble spots during the most severe events when vegetation management is particularly comprehensive, demonstrating a 37.3% reduction when compared with circuits with little to no enhanced tree trimming." (Exhibit CLP-VMP-4, at 15). The reliability improvements indicated were observed in individual storm events as well as in annual totals. The University of Connecticut 2022 study further elaborates that, "this analysis provides a better understanding of how more rigorous vegetation management standards (applying ETT) help reduce outages at an individual event level, for both the more frequent events and those less frequent, stronger storms, which may also occur more frequently in the future due to climate change." (id.).

The Company's redesigned RTW program will allow the Company to address the locations on scheduled circuits where overhang and ETT clearances were not previously achieved on the portion of those circuits that serve the most customers and are highly susceptible to tree-related outages, particularly in relation to circuit backbones that were addressed through the ETT program over 20 years ago.

Please refer to Exhibit CLP-VMP-2, on page 19, where the Company summarized aspects of the RTW program. Previous ETT programs between 2004 and 2026 did not allow for previously completed zones to be readdressed if full clearance was limited by permissions. The RTW program will be key in preventing vegetation outages from outside zone overhanging limb fall-in and inside zone tree fall-in on high priority line segments with the goal of achieving clearance of 10 ft of vegetation from ground to sky where permission allows. By targeting the zones with overhang that serve the highest number of customers through the RTW program, risk will be mitigated.