Storm Fleet
Cost/Benefit Analysis

Key Assumptions:
-Running scenarios on different sizes of storm fleet for 100-600 contractor crews
-Plan is to leverage fleet from Covid 1:1 increase
-Analysis focuses on cost of fleet versus cost of incremental travel
-Assumption is that the work performed by the crews when on system is equal in both scenarios
-Storm fleet will support all 3 states and be "separate" from regular fleet

-Key cost assumptions:

Cost of bucket truck	$ 200,000
Annual Cost to maintain bucket truck	$ 20,000
Depreciable Life of truck	$ 10
Cost of line worker hourly rate (all in)	$ 250
Number of Storm Events Using Fleet	200
Cost per Flight (round trip)	400

-Analysis does NOT take into consideration the many qualitative benefits of having crews here quicker for restoration
-Number of events using storm fleet conservatively assumes that 1/3rd of major events require crews outside of region

COST OF LINEWORKERS TRAVELING BY TRUCK:

Number of Lineworkers Procured--Travelling	50	100	200	300	400	500	600
Days of Round Trip Travel	6	6	6	6	6	6	6
Travel hours per day	12	12	12	12	12	12	12
Lineworker hourly rate	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250
Estimated Travel Cost	$ 900,000	$ 1,800,000	$ 3,600,000	$ 5,400,000	$ 7,200,000	$ 9,000,000	$ 10,800,000
Estimated # of Storm Events per year	10	10	10	10	10	10	10
Estimated Annual Cost of Travel	$ 9,000,000	$ 18,000,000	$ 36,000,000	$ 54,000,000	$ 72,000,000	$ 90,000,000	$ 108,000,000

COST OF LINEWORKERS TRAVELLING BY AIR:

Number of Lineworkers Procured--Travelling	50	100	200	300	400	500	600
Days of Round Trip Travel	1	1	1	1	1	1	1
Travel hours per day	12	12	12	12	12	12	12
Lineworker hourly rate	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250
Estimated Travel Cost	$ 150,000	$ 300,000	$ 600,000	$ 900,000	$ 1,200,000	$ 1,500,000	$ 1,800,000
Flight Cost	$ 20,000	$ 40,000	$ 80,000	$ 120,000	$ 160,000	$ 200,000	$ 240,000
Estimated # of Storm Events per year	10	10	10	10	10	10	10
Estimated Annual Cost of Travel	$ 1,700,000	$ 3,400,000	$ 6,800,000	$ 10,200,000	$ 13,600,000	$ 17,000,000	$ 20,400,000
Number of Trucks (2 lineworkers/truck)	25	50	100	150	200	250	300
Annual Depreciation of Truck	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000
Annual Truck Maintenance	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000
Estimated Annual Cost of Storm Fleet	$ 1,000,000	$ 2,000,000	$ 4,000,000	$ 6,000,000	$ 8,000,000	$ 10,000,000	$ 12,000,000
Total Cost of Lineworkers Travelling by Air	$ 2,700,000	$ 5,400,000	$ 10,800,000	$ 16,200,000	$ 21,600,000	$ 27,000,000	$ 32,400,000

INCREMENTAL COST / (SAVINGS) OF TRUCK TRAVEL VS STORM FLEET	$ 6,300,000	$ 12,600,000	$ 25,200,000	$ 37,800,000	$ 50,400,000	$ 63,000,000	$ 75,600,000

Analysis: Overall, it is significantly less costly to fly and have storm fleet compared to travel. This analysis does not take into consideration the customer benefit of quicker restoration and savings on fleet charges once crews are here and working

Based on the above assessment and historical hiring of crews, the company will start with 50 storm fleet and target 200-300 vehicles