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Witness: John P. DiPaola-Tromba, Sean D. Redding and Jenna Turner
Request from: Public Utilities Regulatory Authority

Question:

(VEGETATION MANAGEMENT) Ex. CLP-REVREQ-2, Sch. WP C-3.31. Summarize and provide documentation on how the Company determined the increases for the following Rate Year 1 Adjustments:

a. $20,435,000 in Roadside Scheduled Maintenance costs;
b. $18,500,000 in Tree Removals costs;
c. $14,500,000 in Reliability Tree Work costs;
d. 1,829,000 in Distribution Rights-of-Way costs;
e. $534,000 in Emergency costs;
f. $230,000 in Vines costs;
g. $639,000 in Emergent Work costs;
h. $950,000 in Mid-Cycle costs;
i. $1,200,000 in CT DOT Collaboration costs;
j. $950,000 in LiDAR costs; and
k. $134,000 in Other costs.

Response:

a. Roadside Scheduled Maintenance – Increase of $20,435,000

The Roadside Scheduled Maintenance increase reflects the Company's transition to a four-year maintenance cycle that focuses on completing full-circuit maintenance rather than prioritizing individual circuit segments. The proposed budget was developed using current cost-per-mile estimates that include anticipated contractor cost escalation. This approach was informed by the Company's LiDAR pilot, which identified significant vegetation encroachment on circuits approaching their next scheduled maintenance cycle. The increased funding supports expansion of the Company's core scheduled maintenance program as part of the redesigned VMP. The total Roadside Scheduled Maintenance program cost is an estimate which will be updated once the RFP for Vegetation Management Pricing for 2027-2030 is completed and the precise cost per mile per Area Work Center (AWC) is determined. The cost per mile calculations used to develop the initial estimate are highly confidential data points which could impact the current open procurement RFP.

b. Tree Removals – New Program $18,500,000, previously Capital

The Tree Removal budget represents the new Risk Tree Removal ("RTR") program. The RTR program is funded primarily through the reallocation of dollars previously spent through the capitalized Enhanced Tree Removal ("ETR") program. Under the redesigned VMP, the Company is transitioning away from a standalone capital-funded tree removal program and incorporating proactive risk tree removals into its expense-funded vegetation management strategy. The proposed program will continue the identification and removal of risk trees that pose reliability concerns while integrating more closely with scheduled maintenance and other reliability-focused vegetation work. The funding level is based on historical tree removal; program levels and increased concern for Connecticut tree health decline due to invasive insects.

c. Reliability Tree Work – New Program $14,500,000, funded by previous Capital funds

Reliability Tree Work ("RTW") is a new program developed to address vegetation conditions that present elevated reliability risk outside the normal scheduled maintenance cycle. The RTW program is funded largely through the reallocation of dollars previously included in the capitalized Enhanced Tree Removal ("ETR") program, with portions of the former Customer Focus ETT program also incorporated into the overall redesign of the VMP. The program will utilize LiDAR data and other system information to prioritize locations with overhanging vegetation and other reliability concerns, particularly on backbone circuits and circuits serving larger numbers of customers. While RTW is a new program, a significant portion of its funding reflects the transition of existing vegetation management investments into a more targeted reliability-focused work category. The overall budget was calculated using an estimated cost per mile of $145,000 and a total yearly scope of 100 miles of RTW work. The cost of each RTW segment will vary widely depending on tree density and property owner consent with some segments costing less per mile and some segments costing more per mile than the estimate used in the program estimation. The number of miles completed under RTW each year will be adjusted to fit the total budget once segments are surveyed for tree density and property owner consent levels.

d. Distribution Rights-Of-Way – New Program $1,900,000, previously Capital

The Distribution Rights-of-Way ("D-ROW") program is funded primarily through the reallocation of dollars previously included in the Customer Focus ETT program. Under the redesigned VMP, the Company is transitioning away from the standalone Customer Focus ETT program and utilizing those funds to support a recurring distribution rights-of-way maintenance program focused on side trimming, brush control, and maintaining areas that have previously achieved Enhanced Tree Trimming specifications. Accordingly, the

proposed D-ROW budget largely represents a reallocation of existing vegetation management funding rather than entirely new spending. The proposed D-ROW budget is based on historic D-ROW unit pricing and contractor cost escalation. The 2027 D ROW Procurement RFP is being released in late October 2026. Precise pricing will be adjusted following the results of the RFP which will include unit price awards per scheduled D ROW for 2027.

e. Emergency – Same Budgeted Amount as Test Year, $534,000 increase from Test Year Actual

The Emergency budget supports blue-sky emergency tree response activities, including contractor responses to outage and non-outage OMS events. Although annual spending varies significantly based on weather conditions, the Company has maintained a proposed budget of approximately $2.0 million to ensure sufficient resources are available during years with higher emergency activity. There have been recent years when the Emergency spending was above $2.0 million. While the increase reflects the difference between Test Year spending and the Company's proposed ongoing funding level, this proposal is keeping the budget consistent from the Test Year to ensure the program can support a higher Emergency call out year.

f. Vines – Increase of $230,000

The Vines program increase supports expansion of vine treatment from approximately one year of backbone circuit mileage to two years of backbone circuit mileage annually. Under the proposed approach, backbone circuits that are not scheduled for Mid-Cycle or Scheduled Maintenance work will receive annual vine treatment coverage, providing system-wide vine management on all backbone miles every year. The increase represents a doubling of the Test Year's cost and escalation for contractor inflation. This is an estimate which will be updated once the RFP for Vegetation Management Pricing for 2027-2030 is completed and the precise vine cost per mile is determined.

g. Emergent Work – Increase of $639,000

The Emergent Work increase supports customer requests, tree warden inquiries, and work associated with dead, dying, and declining trees. The Company also anticipates increased workload associated with tree health impacts from invasive pests and diseases, including beech leaf disease and spotted lanternfly. The proposed funding level reflects the anticipated need for responsive, non-cycle vegetation work. In past years emergent work request evaluations have focused on approving high-priority risk and hazard trees on backbone circuit segments. Due to increased tree mortality, the goal is to expand to approve more customer and tree warden tree work requests on lateral circuit segments. The

increase will also support increases in requests from tree wardens for risk tree evaluation that the company historically experiences the first several years of invasive insect or disease infestations.

h. Mid Cycle – Reinstated program - $950,000

Mid-Cycle is being reinstated as part of the redesigned VMP based on the results of the Company's LiDAR analysis. The analysis identified vegetation encroachment occurring before the next scheduled maintenance cycle due to varying growth rates, consent limitations, and changing vegetation conditions. The program will support targeted hotspot trimming along approximately 1,000 to 1,200 backbone miles annually to address locations that warrant attention before the next scheduled maintenance cycle. The budget was developed using an estimated $950.00 per midcycle mile for trimming locations with the potential to grow in before the next cycle. The cost allocated per mid-cycle mile will be adjusted depending on the exact number of backbone miles scheduled.

i. CT DOT Collaboration – Program moved from capital to expense with a $200,000 program increase from the Test Year budget

The CTDOT Collaboration program replaces work previously performed through the capital-funded CTDOT Project program. Under the redesigned VMP, this work is proposed to be funded through expense rather than capital. The proposed budget supports ongoing coordination with the Connecticut Department of Transportation and reflects anticipated contractor cost escalation and continued use of large-scale mechanized equipment.

j. LiDAR – New Program $950,000

LiDAR is a new program that will support annual ground-based LiDAR collection and analysis on scheduled maintenance circuits and selected backbone circuits. The data will be used to improve prioritization of Scheduled Maintenance, Reliability Tree Work, Mid-Cycle trimming, and Risk Tree Removal activities. The program was proposed following the successful completion of the Company's LiDAR pilot and represents a new technology investment supporting data-driven vegetation management. The $950,000 LiDAR costs include the collection, processing, and analysis of 2028 Scheduled Maintenance Trimming ("SMT") circuit mileage and 2028 Midcycle program mileage. The 2025 LiDAR pilot cost was increased for inflation at approximately 4% each year, which increases the estimated 2027 LiDAR cost to $773,000. In addition to the SMT circuit mileage, the Midcycle program mileage is also included within the LiDAR program scope. The Midcycle program includes approximately 1,000 additional miles and the 25% increase in mileage collected brings the total LiDAR program cost to an estimated $950,000.

k. Other – Increase of $134,000

The Other category includes Energy Saving Trees program activities, Arbor Day initiatives, Right Tree Right Place education, transformer enclosure vegetation maintenance, and other smaller vegetation management programs. The increase reflects anticipated program needs and contractor cost escalation. The program budget also includes mapping support services and other miscellaneous program costs.