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February 28, 2022

VIA ELECTRONIC MAIL
aida.camacho@bpu.nj.gov
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Aida Camacho-Welch
Secretary of the Board
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
P.O. Box 350
Trenton, New Jersey 08625-0350

RE: Semi-Annual Spend Report on Atlantic City Electric Company's Vegetation Management Program

In the Matter of the Petition of Atlantic City Electric Company for Approval of Amendments to Its Tariff to Provide for an Increase in Rates and Charges for Electric Service Pursuant to *N.J.S.A.* 48:2-21 and *N.J.S.A.* 48:2-21.1, and for Other Appropriate Relief (12/2020)
BPU Docket No. ER20120746

Dear Secretary Camacho-Welch:

The undersigned represents Atlantic City Electric Company ("ACE") in connection with the above captioned matter.

In compliance with Paragraph 20 on page 7 of the Decision and Order Adopting Initial Decision and Stipulation of Settlement, dated July 14, 2021 (the "Order") (adopting Paragraph 20 on page 11 of the Stipulation of Settlement), attached is ACE's Semi-Annual Vegetation Management Spend Report detailing costs (budgeted versus actual) for the six-month period ending December 31, 2021 (the "Report"). As required in the Order, the Report includes "the total miles trimmed (planned versus actual), tree removals conducted (planned versus actual), and explanations for any cost increases or budget overruns exceeding ten (10) percent."

Consistent with the Order issued by the Board in connection with *In the Matter of the New Jersey Board of Public Utilities' Response to the COVID-19 Pandemic for a Temporary Waiver of Requirements for Certain Non-Essential Obligations*, BPU Docket No. EO20030254, Order dated March 19, 2020, these documents are being electronically filed with the Secretary of the Board, the Division of Law, and the New Jersey Division of Rate Counsel. No paper copies will follow.

Feel free to contact the undersigned with any questions.

Respectfully submitted,

Philip J. Passanante
An Attorney at Law of the
State of New Jersey

Enclosure

cc: Service List

2021 SEMI-ANNUAL SPEND REPORT OF THE VEGETATION MANAGEMENT PROGRAM

(Through December 31, 2021)

Filed by

ATLANTIC CITY ELECTRIC COMPANY

in Accordance With

the Stipulation of Settlement Executed in Connection With

BPU Docket No. ER20120746

Date of Report: February 28, 2022

atlantic city electric℠

AN EXELON COMPANY

2021 Vegetation Management Program Semi-Annual Spending Report Introduction

In accordance with the Stipulation of Settlement (the "Stipulation") executed and adopted in connection with BPU Docket No. ER20120746, Atlantic City Electric Company ("ACE" or the "Company") submits its Semi-Annual Spend Report for Vegetation Management. This report covers the period from July 1, 2021 through (and including) December 31, 2021. The Company has experienced increases in the cost of its vegetation management program in recent years due to several factors. To better understand the reasons for these cost increases, ACE agreed to provide the New Jersey Board of Public Utilities (the "Board" or "BPU") and the New Jersey Division of Rate Counsel with a semi-annual report on the cost components incurred in its vegetation management program in the prior six month period, through the period ending December 31, 2024 The Company will also provide (1) the total miles trimmed (planned versus actual), (2) tree removals conducted (planned versus actual), and explanations for any cost increases or budget overruns exceeding 10 percent.

Vegetation Management Budget Forecast and 2021 Spend

Table 1 indicates the Vegetation Management actual spend from July 1, 2021 through December 31, 2021 measured against the 2021 budget over the same period. Spending variances are also provided.

Table 1

	2021 Budget vs. Actuals		
	July – Dec. Budget	**July – Dec. Actual**	**% of Budget Variance**
Operations and Maintenance ("O&M") Vegetation Management	$14.3	$14.4	1%

Variance Explanation:

Vegetation Management was on budget for the second half of the year, with spending only one percent above budget.

Table 2 indicates the Vegetation Management cost breakdown from July 1, 2021 through December 31, 2021.

Table 2

Actual Cost Breakdown	
Preventative/Corrective Maintenance	$13,048,035.29
Police Flagging	$997,999.71
Non-Declared Storm	$165,025.00
Internal Labor	$215,515.00
TOTAL COST	**$14,426,575.00**

Total Mileage Trimmed

From July 2021 through December 2021, the Company completed 732 miles out of a targeted 860 miles. From January 1, 2021 through December 31st, 2021, 1,836 miles were trimmed out of a targeted 1,836 miles.

Variance Explanation:

Vegetation Management completed less miles than planned during the second half of the year, but the total miles trimmed during 2021 was on target.

Tree Removals

From July 2021 through December 2021, the Company completed 1,966 removals out of a targeted 1,659 removals.

Variance Explanation:

Vegetation Management completed more tree removals than anticipated during the second half of the year. This was primarily due to timing of when the work was completed, additional requests and change orders for removals.

I/M/O the Petition of Atlantic City Electric Company for Approval of Amendments to Its Tariff to Provide for an Increase in Rates and Charges for Electric Service Pursuant to *N.J.S.A.* 48:2-21 and *N.J.S.A.* 48:2-21.1, and for Other Appropriate Relief (12/2020)
BPU Docket No. ER20120746

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♦ – Does **Not** Receive Discovery Requests or Responses