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atlantic city electric℠
AN EXELON COMPANY

August 22, 2023

VIA ELECTRONIC MAIL
sherri.golden@bpu.nj.gov
board.secretary@bpu.nj.gov

Sherri L. Golden, RMC
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 Golden:

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 June 30, 2023 (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 New Jersey Board of Public Utilities (the "Board" or "BPU") 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

2023 SEMI-ANNUAL SPEND REPORT OF THE VEGETATION MANAGEMENT PROGRAM

(January Through June 2023)

Filed by

ATLANTIC CITY ELECTRIC COMPANY

in Accordance with

the Stipulation of Settlement Executed in Connection With

BPU Docket No. ER20120746

Date of Report: August 22, 2023

atlantic city electric℠

AN EXELON COMPANY

2023 Reliability Improvement Plan Semi-Annual Spending Report Introduction

In accordance with Paragraph 20 on page 7 of the Decision and Order Adopting Initial Decision and Stipulation of Settlement executed and adopted in connection with BPU Docket No. ER20120746, Atlantic City Electric Company ("ACE" or the "Company") submits its 2023 Semi-Annual Spend Report for Vegetation Management. This report covers the period from January 1, 2023 through (and including) June 30, 2023. 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 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 2023 Spend

The ACE Distribution Vegetation Management plan first focuses on vegetation areas that have historically caused issues in the Company's reliability performance. The schedule is front loaded to work on the feeders that have had poor vegetation reliability. Other feeders are then inspected by an independent planning contractor trained in utility arboriculture and tree risk assessment to develop a work plan for each feeder. When preparing future work, the team factors in such constraints as the influx of people to resort areas during the summer seasons, easement rights, police flagging requirements, and contractor availability. Once vegetation work is completed by ACE's contractors, it is then inspected for adherence and work quality by the Company to ensure that all work is in alignment with the annual plan.

Table 1 indicates the Vegetation Management actual spend from January 1, 2023 through June 30, 2023, measured against the 2023 budget over the same period. Spending variances are also provided:

Table 1

	2023 Budget vs. Actuals		
	January-June Budget	**January-June Actual**	**% of Budget Variance**
Operation & Maintenance Vegetation Management	$15,755,234	$17,151,708	+8.8%

Variance Explanation:

Vegetation Management completed more work than anticipated in the January through June 2023 time period and experienced increased expenditures.

Table 2 indicates the Vegetation Management cost breakdown from January 1, 2023 through June 30, 2023:

Table 2

Actual Cost Breakdown	
Preventative/Corrective Maintenance	$ 15,904,033
Police Flagging	$891,000
Non-Declared Storm	$107,671
Internal Crews	$249,004
TOTAL COST	**$17,151,708**

Total Mileage Trimmed

From January 2023 through June 2023, the Company completed 1,137 miles out of a targeted 1,009 miles.

Variance Explanation:

Vegetation Management experienced favorable weather conditions in the January through June 2023 time period, which allowed for more work to be completed.

Tree Removals

From January 1, 2023 through June 30, 2023, the Company completed 488 removals out of a targeted 488 removals.

Variance Explanation:

Vegetation Management removed all targeted trees from January through June 2023.

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