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Vice President

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**March 30, 2017**

**Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17105-3265**

**SUBJECT: 2015 Electric Distribution Rate Case Commitment - Enhanced Vegetation Management Status Report, Docket No. R-2015-2468981**

Dear Secretary Chiavetta:

This filing contains PECO's status report required by paragraph A.15.7 of the Joint Petition for Settlement of Rate Investigation, Docket No. R-2015-2468981, entered September 10, 2015. The Settlement provides for recovery of \$7.0 million in annual operating expenses (\$7.6 million inclusive of Gross Receipt Tax expense) requested by PECO for increased Vegetation Management. This is the first report of two as required by the settlement.

PECO, recognizing that the majority of customers who experience multiple outages are located within 34kV supply areas of the PECO service territory, determined that accelerating the vegetation management maintenance of 34kV circuits would be an efficient use of the additional \$7 million provided in the rate case at Docket R-2015-2468981. Based on that assessment, in 2016, \$3.7 million was spent to accelerate maintenance on 1,318 miles of 34kV circuits, of which 572 miles were pulled forward from 2017.

Another reliability concern is diseased or decaying trees. The removal of dead, diseased or decaying trees that could uproot or break and damage PECO wires will improve system resiliency, especially during storms. Therefore, in addition to accelerating vegetation management on 34kV circuits, PECO substantially increased the number of planned priority tree removals in 2016 and 2017. In 2016, \$3.8 million was spent on the removal of 3,102 priority trees, compared to the five year historical average of 1,791.

Preliminary results from 2016 show a SAIFI performance improvement of 0.34 for the accelerated 34kV circuits.

Per the settlement, this status report is being provided to the Office of Consumer Advocate and The Bureau of Investigation and Enforcement.

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The following attachment is included in support of the filing:

- Attachment 1 – Vegetation Management 2016 Scorecard

Thank you for your assistance in this matter and please direct any questions regarding the above to Rich Schlesinger, Manager, Retail Rates at (215) 841-5771.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Webster, Jr.", followed by a long horizontal line extending to the right.

Richard G. Webster, Jr.  
Vice President  
Regulatory Policy & Strategy

Copies to: R. A. Kanaskie, Director, Bureaus of Investigation & Enforcement  
Office of Consumer Advocate

Enclosures

# ATTACHMENT 1

## PECO Vegetation Management - 2016 Scorecard

### Priority Tree Removals

5 Year Average Tree Removals	2016 Program Results
1,791	3,102

### Reliability Improvements to 34kV Circuits Worked in 2016

Project	2011-2015 Customer Interruptions	2011-2015 Annualized SAIFI	2016 Customer Interruptions	2016 SAIFI	SAIFI Benefit
Accelerated 34kV maintenance	606,298	1.46	93,077	1.12	0.34

### Financial Tracker

2016 Program	2016 Budget	2016 Actual
Pull forward 34kV	\$3.7M	\$3.7M
Priority Tree Removals	\$3.8M	\$4.19M
<b>Totals</b>	<b>\$7.5M</b>	<b>\$7.89M</b>