

PROJECT NO. 38257

RULEMAKING RELATING TO § PUBLIC UTILITY COMMISSION
VEGETATION MANAGEMENT §
§ OF TEXAS

PROPOSAL FOR PUBLICATION OF NEW §25.96
AS APPROVED AT THE JULY 13, 2012 OPEN MEETING

The Public Utility Commission of Texas (commission) proposes new §25.96, relating to Vegetation Management. The proposed new rule will provide the commission with information necessary to assess the distribution system vegetation management activities of electric utilities in determining their effectiveness in enhancing reliability and of cooperatives in protecting public safety. Project Number 38257 is assigned to this proceeding.

Jennifer Hubbs, Infrastructure Policy Analyst, Infrastructure & Reliability, has determined that for each year of the first five-year period the proposed section is in effect, there will be no fiscal implications for state or local government as a result of enforcing or administering the section.

Jennifer Hubbs has determined that for each year of the first five years the proposed section is in effect, the public benefit anticipated as a result of enforcing the section will be a better understanding of distribution system vegetation management activities and how they enhance electric reliability and secure the public safety. More frequent extreme weather in the state has heightened the commission's concern about vegetation management practices and their effects on reliability and public safety. By requiring utilities to conform, where applicable, to established minimum vegetation-related standards, collecting more detailed

data on utility and cooperative plans, and reviewing the implementation of those vegetation management plans, the commission will be in a better position to assess the efficacy of these efforts. There will be no adverse economic effect on small businesses or micro-businesses as a result of enforcing this section. Therefore, no regulatory flexibility analysis is required. There may be economic costs to persons who are required to comply with the proposed section. It is staff's understanding that most utilities in the state already generally conform to the ANSI and NESC standards, and it does not expect utilities to incur any costs associated with coming into compliance with that aspect of this rule. Utilities are already required to provide to the commission summaries of their vegetation management plans under §25.94 and §25.95. Staff anticipates minimal costs associated with conforming to the requirements of this rule. The costs associated with the preparation of these reports are likely to vary from business to business and are difficult to ascertain. However, it is believed that the benefits from implementation of the proposed section will outweigh these costs.

Jennifer Hubbs has also determined that for each year of the first five years the proposed section is in effect, there should be no effect on a local economy, and therefore no local employment impact statement is required under Administrative Procedure Act (APA), Texas Government Code §2001.022.

The commission staff will conduct a public hearing on this rulemaking, if requested pursuant to the Administrative Procedure Act, Texas Government Code §2001.029, at the commission's offices located in the William B. Travis Building, 1701 North Congress

Avenue, Austin, Texas 78701 on Tuesday, September 18, 2012. The request for a public hearing must be received by Tuesday, September 11, 2012.

Comments on the proposed new section may be submitted to the Filing Clerk, Public Utility Commission of Texas, 1701 North Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326, by Monday, August 27, 2012. Sixteen copies of comments to the proposed rule are required to be filed pursuant to §22.71(c) of this title. Reply comments may be submitted by Tuesday, September 11, 2012. Comments should be organized in a manner consistent with the organization of the proposed rule. The commission invites specific comments regarding the costs associated with, and benefits that will be gained by, implementation of the proposed section. The commission will consider the costs and benefits in deciding whether to adopt the section. All comments should refer to Project Number 38257.

This new section is proposed under the Public Utility Regulatory Act, Texas Utilities Code Annotated §14.001 (West 2007) (PURA), which provides the commission with the general power to regulate and supervise the business of each public utility within its jurisdiction and to do anything specifically designed or implied by this title that is necessary and convenient to the exercise of that power and jurisdiction; §14.002, which provides the Public Utility Commission with the authority to make and enforce rules reasonably required in the exercise of its powers and jurisdiction; §37.151, which requires a certificate holder to provide continuous and adequate service in its area; §38.005(a) and (e), which require the commission to implement service quality and reliability standards relating to the delivery of

electricity to customers by electric utilities and transmission and distribution utilities and allows the commission to require electric utilities and transmission and distribution utilities to supply data to assist the commission in developing reliability standards; §38.101, which requires an electric utility to submit to the commission a report describing the utilities' activities related to vegetation management; §41.004(5)(A), which grants the commission jurisdiction over an electric cooperative to require reports to the extent necessary to ensure the public safety; and §41.004(5)(B), which grants the commission jurisdiction over an electric cooperative to require reports to the extent necessary to enable the commission to satisfy its responsibilities relating to electric cooperatives under PURA Chapter 41, including the commission's regulation of certification to the extent provided in Chapter 37.

Cross Reference to Statutes: Public Utility Regulatory Act §14.001, §14.002, §37.151, §38.005(a) and (e), §38.101, and §41.004(5).

§25.96. Vegetation Management.

- (a) **Application.** This subsection and subsections (b) - (f) of this section apply to an electric utility (utility) with distribution assets. Subsections (b) and (g) of this section apply to an electric cooperative (cooperative) with distribution assets.
- (b) **Definitions.** The following terms when used in this section shall have the following meaning, unless the context indicates otherwise.
- (1) **Distribution assets**--the utility or cooperative's facilities at less than 60 kilovolts (kV) for which the utility or cooperative needs to performs vegetation maintenance.
 - (2) **Outage**--any vegetation-caused event that affects the service of ten or more customers for more than five minutes.
 - (3) **Reactive vegetation maintenance**--unscheduled vegetation maintenance which can include, but is not limited to, customer-requested and utility-requested maintenance.
 - (4) **Right-of-way**--land on which electric lines are located and that the utility or cooperative has the right to access for the purpose of maintaining its distribution system and managing vegetation.
 - (5) **Scheduled vegetation maintenance**--the anticipated vegetation management activities a utility expects to conduct during a particular budget cycle, including trimming, spraying, and removal activities.

- (6) **Tree risk management**--planning for, assessing, monitoring, and mitigating diseased, dead, or structurally infirm trees that threaten a utility or cooperative's distribution assets.
- (c) **Vegetation management requirements under other provisions.** Compliance with this section fully satisfies the vegetation management planning and reporting requirements of §25.94(c)(2) of this title (relating to Report on Infrastructure Improvement and Maintenance) and §25.95(e)(2) of this title (relating to Electric Utility Infrastructure Storm Hardening).
- (d) **Utility conformance to standards of the industry.**
- (1) A utility shall make reasonable efforts to conform to the following standards, where applicable:
- (A) American National Standards Institute (ANSI) Standard Z133.1, *Arboricultural Operations – Pruning*, or successor standard;
- (B) ANSI Standard A300 (Part 1) – *Tree, Shrub, and Other Woody Plant Management – Standard Practices (Pruning)*; (Part 7) – *Integrated Vegetation Management a. Utility Rights-of-way practices*; and (Part 9) – *Tree Risk Assessment a. Tree Structure Assessment*; or successor standards; and
- (C) National Electrical Safety Code Section 218, or successor standard.
- (2) For any mandatory provision of any standard specified in paragraph (1) of this subsection to which a utility's program does not conform, the utility shall provide a brief explanation for the deviation in its Vegetation Management Report.

- (e) **Vegetation Management Plan.** Each utility shall maintain a Vegetation Management Plan (Plan) that describes the utility's objectives, practices, procedures, and work specifications for its distribution assets. A full copy of the Plan shall be provided to the commission or commission staff within ten days of receipt of the request. A utility shall review and update its Plan by November 1 of each year. The Plan shall include, at a minimum, a description of the utility's:
- (1) tree pruning methodology, trimming clearances, and scheduling approach;
 - (2) vegetation mitigation methods used around applicable distribution assets;
 - (3) tree risk management program;
 - (4) participation in continuing education by the utility's vegetation management personnel;
 - (5) estimate of circuits to be trimmed or method for planning trimming work for the coming year;
 - (6) plan to remediate the worst ten percent of feeders system-wide as identified by the preceding calendar year's vegetation-specific System Average Interruption Duration Index (SAIDI) and System Average Interruption Frequency Index (SAIFI) scores; and
 - (7) customer education, notification, and outreach practices related to vegetation management.
- (f) **Vegetation Management Report.** A utility shall file with the commission by February 1 of each year a Vegetation Management Report (Report) summarizing its Vegetation Management Plan for the current calendar year and its progress in implementing its Plan

for the preceding calendar year. The Report filed in 2013 does not need to contain the information required by paragraph (2) of this subsection. The Report shall include, at a minimum, the following components:

(1) A Vegetation Management Plan summary including, at a minimum, a summary of the utility's:

- (A) vegetation maintenance goals and the method the utility employs to measure its progress;
- (B) trimming clearances and scheduling approach;
- (C) plan to remediate the worst ten percent of feeders system-wide as identified by the preceding calendar year's vegetation-specific SAIDI and SAIFI scores;
- (D) tree risk management program;
- (E) approach to monitoring, preparing for, and responding to adverse environmental conditions such as drought and wildfire danger;
- (F) total overhead distribution miles in its system, excluding service drops;
- (G) total number of customers served;
- (H) the amount of vegetation-related work it plans to accomplish next year to achieve its vegetation management goals described in subparagraph (A) of this paragraph; and

(I) vegetation management budget, divided into the categories listed below. The utility should, within the confines of its own budgeting practices, assign subcategories and list them under these categories where appropriate. If a utility does not budget amounts under any specific

category, the utility shall provide a brief explanation of why it does not do so. The utility shall title the budget with the dates it covers and provide a total for each category or subcategory.

- (i) Scheduled vegetation maintenance;
 - (ii) Reactive vegetation maintenance;
 - (iii) Tree risk management; and
 - (iv) Emergency and post-storm activities.
- (2) An implementation summary for the preceding calendar year including, at a minimum, a description of:
- (A) whether the utility met its vegetation maintenance goals and how its goals have changed for the coming calendar year based on the results;
 - (B) successes and challenges with the utility's strategy, including obstacles faced, such as property owner interference, and methods employed to overcome them;
 - (C) the progress and obstacles to remediating the worst ten percent of feeders system-wide identified by the utility's vegetation-specific SAIDI and SAIFI scores as submitted in the preceding year's Report;
 - (D) the number of continuing education hours logged for the utility's vegetation management personnel, if applicable;
 - (E) the amount of vegetation management work the utility accomplished to achieve its vegetation management goals described in paragraph (1)(A) of this subsection;

- (F) the separate SAIDI and SAIFI scores for vegetation-caused outages for each month and averaged for the calendar year;
- (G) the vegetation management budget, including, at a minimum:
 - (i) a single table with columns representing:
 - (I) the budget for each category and subcategory that the utility provided in the preceding year pursuant to paragraph (1)(I) of this subsection, with totals for each category and subcategory;
 - (II) the actual expenditures for each category and subcategory listed pursuant to subclause (I) of this clause, with totals for each category or subcategory;
 - (III) the percentage of actual expenditures over or under the budget for each category or subcategory listed pursuant to subclause (I) of this clause; and
 - (IV) the actual expenditures for the preceding reporting year for each category and subcategory listed pursuant to clause (I) of this subparagraph, with totals for each category or subcategory;
 - (ii) an explanation of the variation from the preceding year's vegetation management budget where actual expenditures in any category or subcategory fell below 98 percent or increased above 110 percent of the budget for that category;

- (iii) the total vegetation management expenditures divided by the number of overhead distribution miles in the utility's system, excluding service drops;
 - (iv) the total vegetation management expenditures, including expenditures from the storm reserve, divided by the number of customers the utility served; and
 - (v) the vegetation management budget from the utility's last rate case;
- (g) **Vegetation management report for electric cooperatives.**
 - (1) A cooperative shall file with the commission by February 1 of each year a Vegetation Management Report (Report) summarizing its Vegetation Management Plan for the current calendar year and its progress in implementing its Plan for the preceding calendar year.
 - (2) The Report filed in 2013 does not need to contain the information required by subparagraph (B) of this paragraph. The Report shall include, at a minimum, the following components:
 - (A) A Vegetation Management Plan summary including, at a minimum, a descriptive summary of the cooperative's:
 - (i) trimming clearances and scheduling approach;
 - (ii) tree risk management program;
 - (iii) approach to monitoring, preparing for, and responding to adverse environmental conditions such as drought and wildfire danger;
 - (iv) total overhead distribution miles in its system, excluding service drops;

- (v) total number of customers served; and
 - (vi) vegetation management budget, divided into categories, if applicable, reflected in the cooperative's budgetary practices.
- (B) An implementation summary for the preceding calendar year including, at a minimum, a description of:
- (i) whether the cooperative met its vegetation maintenance goals and how its goals have changed for next year based on the results;
 - (ii) obstacles faced, such as property owner interference, and methods employed to overcome them;
 - (iii) the number of continuing education hours logged for the cooperative's vegetation management personnel, if applicable;
 - (iv) the vegetation management budget including, at a minimum:
 - (I) a single table with columns representing:
 - (-a-) the preceding year's budget for each category that the cooperative provided in the preceding year pursuant to subparagraph (A)(vi) of this paragraph, with totals;
 - (-b-) the actual expenditures for each category listed pursuant to item (-a-) of this subclause, with totals; and
 - (-c-) the percentage of actual expenditures over or under the budget for each category or subcategory listed pursuant to item (-a-) of this subclause;

- (-d-) the actual expenditures for the preceding reporting year for each category listed pursuant to item (-a-) of this subclause, with totals for each category;
- (II) an explanation of the variation from the preceding year's vegetation management budget where actual expenditures in any category fell below 98 percent or increased above 110 percent of the budget for that category;
- (III) the total vegetation management expenditures divided by the number of overhead distribution miles in the cooperative's system, excluding service drops; and
- (IV) the total vegetation management expenditures divided by the number of customers the cooperative served.

This agency hereby certifies that the proposal has been reviewed by legal counsel and found to be within the agency's legal authority to adopt.

**ISSUED IN AUSTIN, TEXAS ON THE 16th DAY OF JULY 2012 BY THE
PUBLIC UTILITY COMMISSION OF TEXAS
ADRIANA A. GONZALES**

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