

Non-confidential description of document requested to be kept confidential

Halton Hills Hydro Inc. Line Clearance and Tree Trimming Report – May 5, 2011

This document represents the final deliverable of an engagement to assist Halton Hills Hydro Inc. ("HHH") in the planning and development of its line clearance and tree trimming program. The document provides the line clearance and tree trimming costs used in HHH's 2012 electricity distribution cost of service application.

In early 2011, HHH engaged Horizon Contracts Management Company Inc. ("HCMC") to help develop a tree trimming and line clearance budget (for the purposes of completing the OM&A component of HHH's 2012 electricity distribution cost of service application). The document was prepared by Brian Lang, a certified arborist at HCMC, who has been involved with the logistics and operation of HHH's line clearance and tree trimming program since 2009. Mr. Lang's key observations and recommendations are presented in this report. They are as follows:

- The high tree growth rate, along with the excessive disease and die back of mature trees in recent years, has contributed to significant tree growth and encroachment in HHH's service area. Small saplings that have been trimmed in recent years (as opposed to eradicated) will also be a significant factor in HHH's line clearance and tree trimming program.
- HHH's line clearance program has been under-funded for a significant number of years, and tree encroachment issues are prevalent throughout much of HHH's system.
- To get HHH to a position where only routine line clearance and tree trimming maintenance is required, HHH's program will need to exceed one complete three-year cycle.
- Mr. Lang's report proposes two models for addressing HHH's line clearance and tree trimming needs:
 - 1) The first model would involve a front-loaded "blitz", whereupon HHH's entire system is brought up to standard in the first year of the program, followed by regular maintenance.
 - 2) The second model is not as heavily front-loaded as the first model, and conceives a gradual return to a three-year maintenance cycle.
- Mr. Lang comments that the immediate cost impact of the first model is significant. The long term variance in cost impact between the two models over the course of a nine-year period – which Mr. Lang claims is the appropriate reference when establishing and analyzing an effective line clearance maintenance program – works out to be approximately 5% in favour of the second model.
- Mr. Lang also recommends a re-structuring of the area delineation boundaries after the first year of the program.