

BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

Joint Application of Wisconsin Electric Power
Company and Wisconsin Gas LLC for Authority
to Adjust Electric, Natural Gas, and Steam Rates

Docket No. 5-UR-111

DIRECT TESTIMONY OF DAVID T. MEGNA

1 **Q. Please state your name, business address, and title.**

2 A. My name is Dave Megna. My business address is 231 West Michigan Street,
3 Milwaukee, Wisconsin 53203. My current position is Vice President Wisconsin
4 Field Operations for WEC Business Services, LLC, a wholly owned subsidiary of
5 WEC Energy Group, Inc. ("WEC"). WEC is the parent company that owns
6 Wisconsin Electric Power Company ("Wisconsin Electric"), Wisconsin Gas LLC
7 ("Wisconsin Gas"), and Wisconsin Public Service Corporation ("WPSC").

8 **Q. Please describe your education and professional background.**

9 A. I graduated from Milwaukee Area Technical College in 1995 and Upper Iowa
10 University in 1999. I joined Wisconsin Electric in 1985 as an assistant fuel
11 equipment operator at the Oak Creek Power Plant. I moved to distribution
12 operations in March 1986 and worked as a line mechanic until 1993. In 1993, I
13 was appointed Operations Supervisor – Electric Operations; in 1999, Business
14 Manager – Major Projects; in 2001, Operations Manager – Major Projects; in
15 2003, Manager – Electric Distribution Operations; in 2009, Area Manager –

1 Western Area; in 2011, Director – System Operations; and in 2015, Vice
2 President – Wisconsin System Operations for WEC Energy Group.

3 **Q. What are your responsibilities as Vice President – Wisconsin System**
4 **Operations?**

5 A. I oversee and manage all aspects of electric and gas operations for Wisconsin
6 Electric, Wisconsin Gas, WPSC, and Upper Michigan Energy Resource
7 Corporation¹ throughout each of the companies’ service territories. I also oversee
8 work associated with forestry, damage prevention, locating, joint construction,
9 major projects, contractor-vendor relationships, resource planning, and logistics.

10 **Q. Have you previously testified before the Commission?**

11 A. No.

12 **Q. What is the purpose of your direct testimony in this proceeding?**

13 A. My testimony explains Wisconsin Electric’s proposed increase in forestry
14 management activities for test years 2025 and 2026. This work will enhance the
15 reliability of the Company’s distribution system and reduce outages caused by
16 more frequent and serious summer and winter storms and the Emerald Ash
17 Borer infestation.

¹ Upper Michigan Energy Resource Corporation is a wholly-owned, Michigan-jurisdictional utility, of WEC Energy Group and an affiliate of Wisconsin Electric, Wisconsin Gas, and WPSC.

1 Q. Can you explain the significance of the dual threats posed by severe storms
2 and the Emerald Ash Borer?

3 A. Over the last several years, the Company has experienced an increase in the
4 intensity and frequency of severe weather events, which has resulted in
5 widespread outages across our service territory. Company Witness Pecha's direct
6 testimony provides more detail on these recent weather events. But the fact is
7 that severe weather has recently damaged many trees and tree limbs, resulting in
8 significant damage to our facilities and wide-spread customer outages.

9 The impact of storms has been significant and has been magnified by the effects
10 of the Emerald Ash Borer infestation. The Emerald Ash Borer has been killing
11 many trees and limbs, making them more likely to fall, especially during a storm.

12 According to the Wisconsin DNR, the Emerald Ash Borer infestation will kill
13 98% of the 898 million ash trees in Wisconsin, despite state and federal
14 regulations intended to limit the spread of the invasive pest. Wisconsin Electric
15 estimates that of the approximately 150,000 ash trees that could impact its
16 overhead lines, 30% will become dead or dying "hazard trees" within the next 5-
17 10 years. This makes the Company's electric distribution facilities even more
18 susceptible to storm damage and increased outages if additional remediation is
19 not undertaken quickly.

20 In order to keep up with these dual impacts, the Company needs to dedicate
21 more resources to its forestry work and forecasts a significant increase in costs
22 associated with doing so. This requested increase for test years 2025 and 2026 is

1 in addition to the work already completed and planned for the rest of 2024,
2 which the Company is seeking approval of deferral accounting treatment for
3 increased forestry activity in Docket No. 6630-AF-101. If approved, this increased
4 funding will enable the Company to commit significantly more resources for
5 needed forestry work forecasted for test years 2025 and 2026 and remove more
6 dead hazard trees or portions of hazard trees that are dead which threaten to
7 damage the Company's distribution facilities, including trees outside of existing
8 rights of way.

9 **Q. What is the increase in forestry work that Wisconsin Electric plans for 2025?**

10 A. The Company is seeking approximately \$45 million for expanded forestry work
11 for 2025. This work consists of removing hazardous trees, trimming hazardous
12 tree limbs, and "topping" dead hazard trees including Ash trees, which could
13 impact our electric distribution system outside of our normal trimming zone
14 when they fall. "Topping" hazard trees means removing the top portion of the
15 tree that would make contact with the company's distribution facilities – similar
16 to what the Company would do for a private tree contractors to keep trees a safe
17 distance from our energized facilities. In 2025, I expect that this work will be
18 performed on 2,500 to 3,500 line miles of distribution facilities.

19 **Q. How much of an increase in forestry work does this represent?**

20 A. This is \$26 million over our current budget for 2024. This represents an
21 incremental increase of \$1 million more than what we are seeking for our

1 expanded forestry activity in 2024 as a part of our deferral request in Docket
2 6630-AF-101.

3 **Q. What is the increase in forestry cost that Wisconsin Electric plans for 2026?**

4 A. The Company is forecasting a total of approximately \$47.5 million to be spent for
5 forestry work for 2026, or an incremental \$2.5 million beyond the amount
6 forecast for 2025. The Company will continue with the same type and scope of
7 work planned for 2025.

8 **Q. Does this conclude your direct testimony?**

9 A. Yes.