COST MANAGEMENT:
DISTRIBUTION SERVICES & OPERATIONS
POLE EXCAVATION PROCESS

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Informational Only
When underground facilities limit the use of mechanized equipment to dig holes for pole installation, hand digging is necessary.

Contractors are used to perform hand digs.

### FY2018 Pole Excavation Stats

<table>
<thead>
<tr>
<th>Method</th>
<th># of Poles</th>
<th>Average Cost/Hole</th>
<th>Total Average Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hand Dig (Contractor)</td>
<td>3,767</td>
<td>$1,427</td>
<td>$5.4 M</td>
</tr>
<tr>
<td>Mechanized Equipment</td>
<td>3,659</td>
<td>$500</td>
<td>$1.8 M</td>
</tr>
</tbody>
</table>

1 “Hand Digging” is a general term for poles dug by hand or specialized vacuum equipment.
COST MANAGEMENT
DISTRIBUTION SERVICES & OPERATIONS (DS&O)

• FY18 hand-digging costs ~$5.4M
• Case-study suggests up to 70% of holes designed as hand digs can be dug using mechanized equipment
• New process: pre-inspect pole locations to minimize hand digs by 30-50%

Cost Savings
($ in millions)

<table>
<thead>
<tr>
<th></th>
<th>FY 2019</th>
<th>FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2019</td>
<td>$0.3</td>
<td></td>
</tr>
<tr>
<td>FY 2020</td>
<td></td>
<td>$1.2</td>
</tr>
</tbody>
</table>

Pole site inspections will reduce annual costs by $1.2M
Thank You