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Philip J. Passanante
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BOARD OF PUBLIC UTILITIES
TRENTON, NJ



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February 28, 2019

**VIA FEDERAL EXPRESS and
ELECTRONIC MAIL**

aida.camacho@bpu.nj.gov
board.secretary@bpu.nj.gov

Aida Camacho-Welch
Secretary of the Board
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
P.O. Box 350
Trenton, New Jersey 08625-0350

RECEIVED
MAIL ROOM

MAR 01 2019

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

RE: Semi-Annual Report Associated With PowerAhead Program Arising Out of Order
Approving Stipulation in Connection With Phase II of Atlantic City Electric
Company's 2016 Base Rate Case
BPU Docket No. ER16030252

Dear Secretary Camacho-Welch:

By way of follow up to Paragraph 12 of the Order Approving Settlement (dated May 31, 2017) and Paragraph 12 of the Stipulation of Settlement in connection with the above referenced matter, enclosed are an original and ten copies of the "2018 Semi-Annual Status Report of the PowerAhead Program" (the "Report"), dated February 28, 2019. The Report covers the period through December 31, 2018.

Kindly return one date and time-stamped "filed" copy of this correspondence and the Report to the undersigned in the self-addressed, postage-prepaid envelope provided.

CMJ

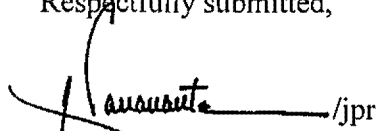
Energy
Legal
DAG

B. Romaine, Legal
A. Moreau, DAG

Aida Camacho-Welch
February 28, 2019
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Thank you for your cooperation and courtesies. Feel free to contact the undersigned with any questions.

Respectfully submitted,

/jpr
Philip J. Passanante
An Attorney at Law of the
State of New Jersey

Enclosure

cc: Paul Flanagan, Esquire, BPU (overnight mail and electronic mail)
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**2018 SEMI-ANNUAL STATUS REPORT OF THE
POWERAHEAD PROGRAM**

Filed by
ATLANTIC CITY ELECTRIC COMPANY

Pursuant to
The Stipulation of Settlement Executed in Connection With
BPU Docket No. ER16030252

Date of Report: February 28, 2019



An Exelon Company

2018 PA Semi-Annual Status Report Introduction

In accordance with the Stipulation of Settlement (the “Stipulation”) executed and adopted in connection with BPU Docket No. ER16030252, Atlantic City Electric Company (“ACE” or the “Company”) submits its Semi-Annual Spend Report for the 2018 PowerAhead Program (“PA”). The Stipulation directed ACE to undertake distribution system improvements through 2022, including Structural and Electrical (“S&E”) Hardening, Selective Undergrounding, Barrier Island Feeder Ties, Distribution Automation (“T&D Automation” or “DA”), Electronic Fusing, and the New Substation at Harbor Beach. The Stipulation, as approved by the New Jersey Board of Public Utilities (the “Board” or “BPU”), directed that the Company provide: (1) total quantity of work completed or major tasks completed, for each of the six sub-programs; (2) forecasted and actual PA costs for the reporting period and program-to-date; (3) estimated PA project completion date within each sub-program; (4) performance metrics reports; and (5) any anticipated changes to PA projects.

PowerAhead Program Budget Forecast and 2018 PA Spend

Table 1 indicates the budget forecast for PA for the entire program timeline from 2017 through 2022 as presented in the Stipulation. The budget forecast for 2017 – 2022 was based on the Company’s 2016 five-year plan.

Table 1

PA Categories (S in thousands)	Budget Forecast Based on Stipulation of Settlement			
	Original Forecast	Jan. – Dec. 2018 Budget	Jan. – Dec. 2018 Actual	Cumulative Program Spend-to-Date
Capital Budget				
Structural and Electrical Hardening	\$24,000.0	\$5,500.0	\$5,792.9	\$5,808.0
Selective Undergrounding	\$11,000.0	\$2,900.0	\$1,000.2	\$1,015.7
Barrier Island Feeder Ties	\$13,000.00	\$2,150.0	\$1,567.6	\$1,721.4
T&D Automation	\$15,000.0	\$3,950.0	\$5,450.6	\$5,879.2
Electronic Fusing	\$2,000.0	\$750.0	\$690.3	\$1,140.2
New Substation Harbor Beach	14,000.0	\$600.0	\$666.9	\$703.2
Total	\$79,000.0	\$15,850.0	\$15,168.6	\$16,267.7

For 2018, ACE spent \$15.17 million with respect to capital spending. The Company anticipates meeting completion dates for all projects in all sub-programs and for spending to increase as sub-program projects move beyond their initial phases.

2018 PA Work Category Status

The 2018 PA work category spend includes the current status of work completed and actuals through the fourth quarter of 2018.

Structural and Electrical Hardening

ACE has completed the hardening of two feeders as part of PowerAhead: Minotola NJ0813 and Atco NJ0922. All reconductoring and feeder improvement work on Minotola NJ0813 was completed as of August, and all reconductoring and feeder improvements on Atco NJ0922 were complete as of December. ACE is currently performing work on four feeders as a part of PowerAhead: Washington NJ2097, Lamb NJ1215, Winslow NJ0242, and Fairton NJ0671. Selected storm feeders for Washington and Lamb will be hardened in the first half of 2019. As of the end of 2018, the reconductoring for Washington NJ2097 has been completed as of September, with projects released to installation; reconductoring for one Lamb NJ1215 project has been completed as of January 2019, and two projects have been released for bid; reconductoring and feeder improvements for Winslow NJ0242 and Fairton NJ0671 are in design. The project work in the sub-program is on target to be completed by 2022.

Total Cost (\$ in thousands)

Original Forecast	Jan. – Dec. 2018 Budget	Jan. – Dec. 2018 Actual Spend	Jan. – Dec. 2018 Materials Spend	Jan. – Dec. 2018 Other Spend	Cumulative Program Spend
\$24,000.0	\$5,500.0	\$5,792.9	\$490.3	\$5,302.6	\$5,808.0

Variance Explanation:

ACE is on track to complete the spending for this sub-program by 2022.

Selective Undergrounding

ACE is currently performing work on three feeders as part of the PowerAhead Program: Washington NJ2097, Second Street NJ0213, and Egg Harbor Elwood NJ0146. As of the end of 2018, the undergrounding for Laurel Park NJ0232 has been completed. The Company has begun the survey work for Washington NJ2097 and Second Street NJ0213 based on the completed scoping to initiate the design concept. The Company has been engaged to ensure the necessary rights and permissions are obtained in advance of construction for both projects. The scoping for Egg Harbor Elwood NJ0146 has begun. The project work in this sub-program is on target to be completed by 2022.

Total Cost (\$ in thousands)

Original Forecast	Jan. – Dec. 2018 Budget	Jan. – Dec. 2018 Actual Spend	Jan. – Dec. 2018 Materials Spend	Jan. – Dec. 2018 Other Spend	Cumulative Program Spend
\$11,000.0	\$2,900.0	\$1,000.2	\$286.3	\$713.9	\$1,015.7

Variance Explanation:

Community Affairs' efforts for the Washington NJ2097 and Second Street NJ0213 projects are in process, progressing forward in parallel with the design concept. These efforts have led to a delay in starting construction, which will commence during the second half of 2019 and continue through the remainder of the PowerAhead Program.

Barrier Island Feeder Ties

ACE is currently performing work on three feeder ties as part of the PowerAhead Program: Court NJ0383 – Lake NJ0974, Marven NJ1357 – Pleasantville NJ0426, and Lake NJ0972 – Rio Grande NJ0488. As of the end of 2018, for the Court NJ0383 – Lake NJ0974 tie, two projects are design ready and a third project is in design; for the Marven NJ1357 – Pleasantville NJ0426 tie, two projects have been completed, two projects are design ready, and two projects are in design; and for the Lake NJ0972 – Rio Grande NJ0488 tie, one project is in design and one project is design ready, awaiting a transmission project to be underbuilt as a part of the construction. The Court NJ0383 – Lake NJ0974 tie will begin installation in February 2019, and the Marven NJ1357 – Pleasantville NJ0426 tie will continue construction on two projects during the first half of 2019.

Total Cost (\$ in thousands)

Original Forecast	Jan. – Dec. 2018 Budget	Jan. – Dec. 2018 Actual Spend	Jan. – Dec. 2018 Materials Spend	Jan. – Dec. 2018 Other Spend	Cumulative Program Spend
\$13,000.0	\$2,150.0	\$1,567.6	\$92.2	\$1,475.4	\$1,721.4

Variance Explanation:

The budget for this sub-program included funding for the Lake NJ0972 – Rio Grande NJ0488 tie to take place in 2018. This project is a part of a transmission project that was pushed back to a scheduled installation date of 2020. In lieu of this change, the Marven NJ1357 – Pleasantville NJ0426 tie was accelerated with two projects being constructed in 2018, helping to offset the budgeted dollars for the delayed tie.

T&D Automation

The T&D Automation sub-program has three major sub-program components: DA Reconductoring, DA Recloser/Communication, and DA Substation Upgrades.

For DA Reconductoring, ACE is currently performing work on two feeder projects, Upper Pittsgrove NJ2352/Glassboro NJ0747 and Lamb NJ1215. This work accounts for four project segments of 61,900 feet (11.7 miles) and covers approximately 6,900 customers. As of the end of 2018, the Lamb NJ1215 project is under construction, and the first project of Upper Pittsgrove NJ2352 is complete. The Glassboro NJ0747 projects are under construction and will be completed in the first half of 2019. The Searstown NJ0985 project was completed in January 2019. ACE has also begun the design of the Searstown NJ0982, Pleasantville NJ0424, and Searstown NJ0983 projects for installation in 2019 and 2020.

For DA Recloser/Communication, the first two substation feeder saturation projects relate to Winslow NJ0241-NJ0243 and Churchtown NJ2061. This work accounts for the following recloser inventory: 17 new reclosers, 4 technology upgrades, and 13 communications enablement. As of the end of 2018, these feeders were enabled with automatic circuit reclosers fully communicating.

For DA Substation Upgrades, the Beckett and Winslow Substation upgrade designs are complete. Beckett Substation is planned for a fall installation to support a DA scheme in 2019. Winslow Substation is planned for a 2020 installation to support the DA scheme. The initial design for the Churchtown Substation has begun with a planned installation in the fall of 2019.

Total Cost (\$ in thousands)

Original Forecast	Jan. – Dec. 2018 Budget	Jan. – Dec. 2018 Actual Spend	Jan. – Dec. 2018 Materials Spend	Jan. – Dec. 2018 Other Spend	Cumulative Program Spend
\$15,000.0	\$3,950.0	\$5,450.6	\$1,528.1	\$3,922.5	\$5,879.2

Variance Explanation:

ACE is on track to complete the spending for this sub-program by 2022.

Electronic Fusing

As of the end of 2018, ACE installed 92 of the planned 94 TripSavers across 30 feeders for 2018 as part of the Electronic Fusing Sub-Program (NJ0384, NJ0481, NJ0486, NJ0487, NJ0551, NJ0552, NJ0553, NJ0554, NJ0555, NJ0557, NJ0558, NJ0741, NJ0744, NJ0745, NJ0747, NJ0851, NJ0921, NJ0922, NJ0924, NJ0926, NJ0927, NJ0928, NJ0973, NJ1292, NJ1293, NJ1294, NJ1296, NJ1311, NJ1408, NJ1410). The Company has installed 158 of the planned 200 TripSavers and will complete the remaining 42 in 2019. The project work in the sub-program is on target to be completed by 2020.

Total Cost (\$ in thousands)

Original Forecast	Jan. – Dec. 2018 Budget	Jan. – Dec. 2018 Actual Spend	Jan. – Dec. 2018 Materials Spend	Jan. – Dec. 2018 Other Spend	Cumulative Program Spend
\$2,000.0	\$750.0	\$690.3	\$295.7	\$394.6	\$1,140.2

Variance Explanation:

Delays due to weather in the fourth quarter of 2018 caused a small number of TripSavers to be pushed to a 2019 installation date. These will be completed in 2019, and ACE is on track to complete the spending for this sub-program by 2020.

New Substation: Harbor Beach

ACE is currently engineering for the overhead transmission lines and underground transmission lines. It has awarded GIS and switchgear contracts for the substation. The project work in the sub-program is on target to be completed by 2022.

Total Cost (\$ in thousands)

Original Forecast	Jan. – Dec. 2018 Budget	Jan. – Dec. 2018 Actual Spend	Jan. – Dec. 2018 Materials Spend	Jan. – Dec. 2018 Other Spend	Cumulative Program Spend
\$14,000.0	\$600.0	\$666.9	\$320.3	\$346.6	\$703.2

Variance Explanation:

ACE is on track to complete the spending for this sub-program by 2022.

Performance Metrics by Feeder

As part of the Order adopting the Stipulation, during major events ACE will report reliability indices for feeders being improved under PA, specifically, customer minutes interrupted (“CMI”) and customer average interruption duration index (“CAIDI”). The following table reflects the reliability indices for all major events occurring in 2018 and the cumulative performance for the duration of this program.

Five-Year Average Storm Performance			Jan. - Dec. 2018 Storm Performance		Cumulative Storm Performance	
Feeder	CMI	CAIDI	CMI	CAIDI	CMI	CAIDI
NJ0146	1,502,526	922	1,728,706	5,095	1,733,029	5,203
NJ0151	353,305	195	38,911	533	38,911	533
NJ0152	414,375	86	138,252	1,189	138,252	1,189
NJ0153	139,742	80	343,553	1,500	343,553	1,500
NJ0154	446,469	283	91,095	599	91,095	599
NJ0213	68,669	160	5,065,241	2,064	5,065,539	2,087
NJ0232	221,657	210	1,139,814	1,713	1,145,197	2,202
NJ0241	701,198	441	1,106,751	1,428	1,107,188	1,647
NJ0242	1,449,203	852	2,712,821	1,246	2,713,924	1,797
NJ0243	1,792,557	394	540,054	3,275	543,133	3,617
NJ0244	1,093,004	371	2,332,747	2,432	2,334,888	2,627
NJ0383	299,334	524	257	257	5,699	475
NJ0423	122,820	335	51,322	1,503	51,377	1,559
NJ0424	42,663	317	120,027	2,783	120,027	2,783
NJ0426	3,090	474	2,413	2,413	2,628	2,628
NJ0488	130,245	188	9,971	1,611	10,061	1,701
NJ0551	136,575	479	64,720	1,095	64,720	1,095
NJ0671	45,977	440	1,327,468	3,316	1,395,139	3,973
NJ0745	2,038,498	474	1,589,864	1,444	2,472,763	1,632
NJ0747	1,093,913	499	2,518,421	813	2,603,316	1,126
NJ0813	997,211	318	4,885,848	2,278	4,977,857	2,559
NJ0922	2,402,535	698	2,601,222	2,098	2,603,246	3,110

Five-Year Average Storm Performance			Jan. - Dec. 2018 Storm Performance		Cumulative Storm Performance	
Feeder	CMI	CAIDI	CMI	CAIDI	CMI	CAIDI
NJ0972	207,102	440	2,396	1,360	2,396	1,360
NJ0974	1,192,001	396	10,139	1,127	10,139	1,127
NJ0982	1,650	156	71,276	412	71,276	412
NJ0983	57,527	335	111,409	227	111,409	227
NJ0985	45,816	319	15,685	2,591	15,685	2,591
NJ1192	215,642	593	658,203	3,959	660,767	4,051
NJ1215	3,745,367	790	149,903	4,049	403,962	4,180
NJ1324	1,834	57	N/A	N/A	N/A	N/A
NJ1325	5,779	187	560,018	1,221	560,018	1,221
NJ1326	254,706	177	105,605	903	105,605	903
NJ1327	17,897	385	16,988	629	16,988	629
NJ1328	138,953	285	18,914	1,369	18,914	1,369
NJ1329	236,877	354	251,101	1,064	251,181	1,144
NJ1357	181,658	385	8,167	1,167	8,167	1,167
NJ1634	27,257	259	292,707	729	292,894	760
NJ2061	710,091	448	3,862,186	1,744	3,877,451	2,012
NJ2062	920,729	326	151,224	3,096	152,176	4,048
NJ2097	4,380,570	973	104,179	1,589	104,179	1,589
NJ2352	220,375	1,066	1,084,233	2,839	1,096,564	3,488
NJ2391	75,278	214	180,635	1,631	180,902	1,665
NJ2392	25,139	348	50,941	1,448	50,941	1,448
NJ2393	95,254	400	126,890	518	126,890	518