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August 29, 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

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 "2019 Semi-Annual Status Report of the PowerAhead Program" (the "Report"), dated August 29, 2019. The Report covers the period through June 30, 2019.

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.

CMS
G. Geisler, Esq
P. Van Brunt, Esq
A. Hart, Esq.

list copied

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)
Abraham Silverman, Esquire, BPU (overnight mail and electronic mail)
Grace Strom-Power, Esquire, BPU (overnight mail and electronic mail)
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2019 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: August 29, 2019

atlantic city electric®

An Exelon Company

2019 PowerAhead 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 2019 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(s) within each sub-program; (4) performance metrics reports; and (5) any anticipated changes to PA projects.

PowerAhead Program Budget Forecast and 2019 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 ($ in thousands)	Budget Forecast Based on Stipulation of Settlement			
	Original Forecast	Jan. – June 2019 Budget	Jan. – June 2019 Actual	Cumulative Program Spend-to-Date
Capital Budget				
Structural and Electrical Hardening	$24,000.0	$2,520.8	$2,159.9	$8,056.2
Selective Undergrounding	$11,000.0	$1,603.7	$183.4	$1,085.4
Barrier Island Feeder Ties	$13,000.00	$1,780.8	$3,849.4	$5,296.5
T&D Automation	$15,000.0	$1,809.9	$2,606.8	$8,447.9
Electronic Fusing	$2,000.0	$257.5	$716.9	$1,875.1
New Substation Harbor Beach	14,000.0	$1,062.7	$224.6	$881.2
Total	$79,000.0	$9,035.5	$9,741.1	$25,642.3

For the first half of 2019, ACE spent $9.7 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.

2019 PA Work Category Status

The 2019 PA work category spend includes the current status of work completed and actuals through the second quarter of 2019.

Structural and Electrical Hardening

ACE has performed work on five feeders as a part of PowerAhead: Washington NJ2097, Lamb NJ1215, Winslow NJ0242, Fairton NJ0671, and Lake NJ0972. Portions of selected storm feeders for Washington NJ2097, Lamb NJ1215, and Winslow NJ0242 have been hardened in the first half of 2019. As of June 30, 2019, all hardening work for the Washington NJ2097 and Lamb NJ1215 feeders have been completed; hardening for one Winslow NJ0242 project has been completed as of June 2019, with a second project currently under construction; the project designs for Fairton NJ0671 have been completed and construction has begun on three of the six sections. Reconductoring and feeder improvements for Lake NJ0972 are currently in design. All reconductoring and feeder improvement work was completed on Minotola NJ0813 and Atco NJ0922 in 2018. Through the first half of 2019, ACE has completed construction on four of the 12 selected feeders. The project work in the sub-program is on target to be completed by 2022.

***Total Cost** ($ in thousands)*

Original Forecast	Jan. – June 2019 Budget	Jan. – June 2019 Actual Spend	Jan. – June 2019 Materials Spend	Jan. – June 2019 Other Spend	Cumulative Program Spend
$24,000.0	$2,520.8	$2,159.9	$344.7	$1,815.2	$8,056.2

Variance Explanation:

The underspend is related to the hardening work that was completed on the Lamb NJ1215 feeder, which was performed as a part of the DA Reconductoring project. A transfer of funding request was submitted to the BPU and the New Jersey Division of Rate Counsel ("Rate Counsel") for review.

Selective Undergrounding

ACE is currently performing work on three feeders as part of the PowerAhead Program: Washington NJ2097, Second Street NJ0213, and NJ0146 Egg Harbor Elwood. Design work is ongoing for all three feeders listed above. ACE is gaining the necessary approvals to begin construction in the second half of 2019 and beyond. Through the first half of 2019, ACE has completed construction on one of the four designated projects. The project work in the sub-program is on target to be completed by 2022.

***Total Cost** ($ in thousands)*

Original Forecast	Jan. – June 2019 Budget	Jan. – June 2019 Actual Spend	Jan. – June 2019 Materials Spend	Jan. – June 2019 Other Spend	Cumulative Program Spend
$11,000.0	$1,603.7	$183.4	$0.0	$183.4	$1,085.4

Variance Explanation:

Due to the acceleration of projects within other sub-programs and the complex designs for the selective undergrounding work, ACE has experienced delays in construction for this sub-program. Construction will begin in the second half of 2019 and beyond and is on target to meet the PowerAhead timeline.

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. This analysis has generated 12 project segments and multiple phases targeting the barrier island ties for these feeders. For the Court NJ0383 – Lake NJ0974 barrier tie, two sections are under construction with the third released for construction in the second half of 2019; for the Marven NJ1357 – Pleasantville NJ0426 tie, three sections have been completed, one is under construction, one has been released for construction in 2019, and the final section is in design for 2020; and for the Lake NJ0972 – Rio Grande NJ0488 tie, the first section is designed and ready to be built in conjunction with the associated transmission project schedule for 2020 - 2021, and the second section is in design.

Total Cost ($ in thousands)

Original Forecast	Jan. – June 2019 Budget	Jan. – June 2019 Actual Spend	Jan. – June 2019 Materials Spend	Jan. – June 2019 Other Spend	Cumulative Program Spend
$13,000.0	$1,780.8	$3,849.4	$411.4	$3,438.0	$5,296.5

Variance Explanation:

The Court NJ0383 – Lake NJ0974 barrier island tie was accelerated due to the delays in the Lake NJ0972 – Rio Grande NJ0488 tie. This will allow for the completion of the first barrier island tie project by the end of 2019.

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 has completed work on the following projects in the first half of 2019: Lamb NJ1215, Upper Pittsgrove NJ2352/Glassboro NJ0747, and Searstown NJ0985. The Searstown NJ0982 and Pleasantville NJ0424 segments of the Northfield project are design ready and released for construction. The Searstown NJ0983 segment of this project is in design for construction in 2020. Through the first half of 2019, ACE has completed construction on five of the nine designated reconductoring projects.

For DA Recloser/Communication, the Barnegat/Cedar/Motts Farm project, which includes 76 reclosers, is in design, with a scheduled installation for 2020. The Winslow NJ0241-NJ0243 and Churchtown NJ2061 projects, which include 17 new reclosers, 4 technology upgrades, and 13 communications enablement, are complete with automatic circuit reclosers fully communicating.

For DA Substation Upgrades, the Beckett and Churchtown Substation upgrades will begin construction in the second half of 2019, and the construction for the Winslow Substation upgrade will begin in 2020.

The project work in the sub-program is on target to be completed by 2022.

***Total Cost** ($ in thousands)*

Original Forecast	Jan. – June 2019 Budget	Jan. – June 2019 Actual Spend	Jan. – June 2019 Materials Spend	Jan. – June 2019 Other Spend	Cumulative Program Spend
$15,000.0	$1,809.9	$2,606.8	$358.9	$2,247.9	$8,447.9

Variance Explanation:

The variance in the spend for the first half of 2019 is related to the acceleration of the Upper Pittsgrove NJ2352/Glassboro NJ0747 reconductoring project, which has been completed. The variance is also related to the hardening work that was completed on the Lamb NJ1215 feeder, which was performed as a part of the reconductoring project. The transfer of funding request has been submitted to the Board and Rate Counsel for review.

Electronic Fusing

ACE has exceeded the original target of 200 Trip Savers across 56 feeders as part of the Electronic Fusing Sub-Program (NJ0061, NJ0063, NJ0146, NJ0182, NJ0186, NJ0202, NJ0211, NJ0213, NJ0216, NJ0262, NJ0361, NJ0383, NJ0384, NJ0474, NJ0481, NJ0484, NJ0486, NJ0487, NJ0551, NJ0552, NJ0553, NJ0554, NJ0555, NJ0557, NJ0558, NJ0698, NJ0741, NJ0744, NJ0745, NJ0747, NJ0811, NJ0813, NJ0814, NJ0851, NJ0921, NJ0922, NJ0924, NJ0926, NJ0927, NJ0928, NJ0973, NJ0982, NJ0991, NJ0993, NJ1292, NJ1293, NJ1294, NJ1296, NJ1311, NJ1312, NJ1406, NJ1408, NJ1410, NJ1463, NJ1983, NJ1984). The Company has installed 211 Trip Savers to date and will install additional Trip Savers (with the remaining funding) in the second half of 2019 to complete the work for this sub-program.

***Total Cost** ($ in thousands)*

Original Forecast	Jan. – June 2019 Budget	Jan. – June 2019 Actual Spend	Jan. – June 2019 Materials Spend	Jan. – June 2019 Other Spend	Cumulative Program Spend
$2,000.0	$257.5	$716.9	$202.3	$514.6	$1,875.1

Variance Explanation:

Project costs for this sub-program had an overspend this semi-annual period as ACE nears completion of electronic fusing work, which will occur by the end of 2019.

New Substation: Harbor Beach

ACE is currently approaching 90% engineering for the substation, overhead transmission lines, and underground transmission lines. The Company has awarded the GIS and switchgear contracts and is working on site plans for the feeder getaway design 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. – June 2019 Budget	Jan. – June 2019 Actual Spend	Jan. – June 2019 Materials Spend	Jan. – June 2019 Other Spend	Cumulative Program Spend
$14,000.0	$1,062.7	$224.6	$0.0	$224.6	$881.2

Variance Explanation:

Year-to-date spend is low due to the current status of the design and planning portions of the project. Spend will continue to increase during the PowerAhead window.

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"). During the first half of 2019, ACE had five major events, which occurred on January 19, February 12, February 20, March 3, and June 20, respectively. The following table reflects the reliability indices for these major events and the cumulative performance for the duration of this program.

Five-Year Average Storm Performance			Jan. - Jun. 2019 Storm Performance		Cumulative Storm Performance	
Feeder	CMI	CAIDI	CMI	CAIDI	CMI	CAIDI
NJ0146	1,502,526	922	17,843	16	1,750,872	439
NJ0151	353,305	195	3,744	50	42,655	288
NJ0152	414,375	86	12,734	72	150,986	72
NJ0153	139,742	80	N/A	N/A	343,553	700
NJ0154	446,469	283	19,530	178	110,625	422
NJ0213	68,669	160	355	177	5,065,894	665
NJ0232	221,657	210	N/A	N/A	1,145,197	273
NJ0241	701,198	441	N/A	N/A	1,107,188	380
NJ0242	1,449,203	852	418	209	2,714,342	465
NJ0243	1,792,557	394	N/A	N/A	543,133	1,226
NJ0244	1,093,004	371	165	82	2,335,053	436
NJ0383	299,334	524	143	71	5,842	209
NJ0423	122,820	335	136	136	51,513	412
NJ0424	42,663	317	N/A	N/A	120,027	790
NJ0426	3,090	474	217	217	2,845	948
NJ0488	130,245	188	1,240	207	11,301	91
NJ0551	136,575	479	N/A	N/A	64,720	912
NJ0671	45,977	440	N/A	N/A	1,395,139	1,803
NJ0745	2,038,498	474	172	172	2,472,935	350
NJ0747	1,093,913	499	677	75	2,603,993	439
NJ0813	997,211	318	7,021	113	4,984,878	918
NJ0922	2,402,535	698	N/A	N/A	2,603,246	647

Five-Year Average Storm Performance			Jan. - Jun. 2019 Storm Performance		Cumulative Storm Performance	
Feeder	CMI	CAIDI	CMI	CAIDI	CMI	CAIDI
NJ0972	207,102	440	5,955	89	8,351	119
NJ0974	1,192,001	396	6,948	224	17,087	427
NJ0982	1,650	156	N/A	N/A	71,276	412
NJ0983	57,527	335	129	129	111,538	64
NJ0985	45,816	319	N/A	N/A	15,685	1,120
NJ1192	215,642	593	1,876	104	662,643	995
NJ1215	3,745,367	790	N/A	N/A	403,962	191
NJ1324	1,834	57	N/A	N/A	N/A	N/A
NJ1325	5,779	187	N/A	N/A	560,018	789
NJ1326	254,706	177	N/A	N/A	105,605	812
NJ1327	17,897	385	N/A	N/A	16,988	629
NJ1328	138,953	285	39	39	18,953	592
NJ1329	236,877	354	61	61	251,242	1,056
NJ1357	181,658	385	N/A	N/A	8,167	1,167
NJ1634	27,257	259	N/A	N/A	292,894	222
NJ2061	710,091	448	N/A	N/A	3,877,451	907
NJ2062	920,729	326	57	57	152,233	1,258
NJ2097	4,380,570	973	N/A	N/A	104,179	898
NJ2352	220,375	1,066	2,443	39	1,099,007	1,368
NJ2391	75,278	214	N/A	N/A	180,902	1,103
NJ2392	25,139	348	N/A	N/A	50,941	1,132
NJ2393	95,254	400	1,101	184	127,991	400