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April 21, 2021

**VIA ELECTRONIC MAIL**

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[board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov)

Aida Camacho-Welch  
Secretary of the Board  
Board of Public Utilities  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
P.O. Box 350  
Trenton, New Jersey 08625-0350

**RE:** Notification Regarding Franklinville and Egg Harbor Distribution Automation Project(s) and Ocean City, Merion, and Marven Barrier Island Tie Project(s)

Adjustments to 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:

The undersigned is Assistant General Counsel to Atlantic City Electric Company ("ACE" or the "Company").

Pursuant to the Order Approving Stipulation (the "Order") in connection with the above captioned matter, ACE is advising the New Jersey Board of Public Utilities (the "Board" or "BPU") that the Company will not be seeking recovery for the two Distribution Automation ("DA") projects referenced above through and/or in connection with the PowerAhead program. The reasons are explained below:

**Franklinville DA Project**

The Company will not be seeking recovery for this project in the context of, and pursuant to the terms of, the PowerAhead Program. When the Franklinville DA project entered the preliminary engineering phase (well after adoption of the Order), ACE found that work on this project had already been completed in all material respects. The Franklinville DA project was initially developed ("scoped") for the PowerAhead program. In the interim period between scoping of the project and approval of the PowerAhead program, the work on Franklinville was

completed. The PowerAhead authorized/approved budget (approximately \$640,000) associated with this project will be adjusted accordingly.<sup>1</sup>

### **Egg Harbor – DA Project**

ACE will not be constructing or seeking recovery for this project in the context of, and pursuant to the terms of, the PowerAhead program. During the preliminary engineering phase, the Company discovered that the Egg Harbor project would require substantial environmental permitting and compliance, police, traffic control, off-hours work, and lane closures. In addition, the Egg Harbor project timeline conflicts with a New Jersey Turnpike Authority highway widening project. The \$1 million estimated budget to perform this work far exceeds the \$36,000 stipulated budget. The PowerAhead authorized/approved budget associated with this project will be adjusted accordingly.

### **Ocean City, Merion and Marven Barrier Island Tie Project(s)**

Finally, by way of follow up to the Company's October 16, 2020 notification, ACE is cancelling the Ocean City, Merion, and Marven Barrier Island Tie projects due to anticipated cost increases associated with contract labor, environmental studies/permitting, and engineering design.<sup>2</sup> The Company explored alternative options but, due to required environmental studies, timing restrictions, constructability timeline concerns, and anticipated increased project cost(s), ACE has decided to cancel the project. The Barrier Island Feeder Tie sub-program budget associated with this project (\$3 million) will be reduced accordingly.<sup>3</sup>

In total, the cancellations/removal of these projects will reduce the overall PowerAhead budget by approximately \$3.68 million.

Consistent with the Order issued by the Board in connection with In the Matter of the New Jersey Board of Public Utilities' Response to the COVID-19 Pandemic for a Temporary Waiver of Requirements for Certain Non-Essential Obligations, BPU Docket No. EO20030254, Order dated March 19, 2020, this document is being electronically filed with the Secretary of the Board and the New Jersey Division of Rate Counsel. No paper copies will follow.

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<sup>1</sup> Note that ACE agreed not to commence work on the Ocean City, Merion, and Marven Barrier Island Ties or the Franklinville DA reconductoring projects until the Company submitted a proposal to Board Staff and the New Jersey Division of Rate Counsel ("Rate Counsel"), "and until Staff and Rate Counsel conclude their evaluations of the proposals." See paragraph 5, page 8 of the Stipulation of Settlement executed in connection with BPU Docket No. ER19111434 (March 6, 2020). Since the projects are no longer being pursued in the context of the PowerAhead program, a proposal to Board Staff and Rate Counsel will not be required.

<sup>2</sup> See footnote 1, *supra*.

<sup>3</sup> In its October 16, 2020 letter, the Company proposed to use the (approximately) \$3 million that was budgeted for the Ocean City, Merion, and Marven Barrier Island Tie project(s) to perform additional undergrounding on the Second Street South feeder. The Second Street South feeder was approved by the PowerAhead Order within the "Laurel Lakes" development. Neither Board Staff nor Rate Counsel approved that request.

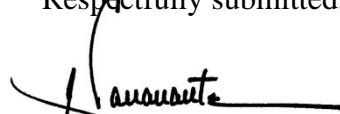
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Thank you for your attention and continued cooperation. Feel free to contact the undersigned with any questions.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Passanante", with a long horizontal line extending to the right.

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

cc: Paul Flanagan, Esquire, BPU  
Abe Silverman, Esquire, BPU  
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