

150 W State Street, Suite 5
Trenton, NJ 08608-1105

267-533-1671 – MS Teams
609-909-7033 – Trenton Office
609-393-0243 – Facsimile
cynthia.holland@exeloncorp.com

Mailing Address:
92DC42
500 N. Wakefield Drive
P.O. Box 6066
Newark, DE 19714-6066

atlanticcityelectric.com

December 22, 2021

VIA 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, 9th Floor
P.O. Box 350
Trenton, New Jersey 08625-0350

RE: Notification Regarding Harbor Beach Substation Project

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 serves as Assistant General Counsel to Atlantic City Electric Company ("ACE" or the "Company") and respectfully submits this filing on behalf of the Company. Pursuant to the Approved Stipulation of Settlement ("Stipulation") in the above captioned proceeding, ACE is advising the New Jersey Board of Public Utilities (the "Board" or "BPU") that the Company is now forecasted to exceed 5% of the stipulated \$14 million budget for this project. The reasons are explained in detail below.

Harbor Beach Substation Project

The Harbor Beach Substation project is now forecasted to exceed 5% of the stipulated \$14 million budget. This increase is largely due to the original estimate being generated prior to the start of design (which then became the stipulated budget) as well as an increase in labor cost, material cost, design cost, along with increases in scope due to unanticipated matting, additional dewatering, and a more complex duct route caused by site conditions. The anticipated cost increases from these changes will be approximately \$3.2 million dollars, which will bring the anticipated forecast to \$17.2 million.

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The Stipulation reflects agreement among the parties that “ACE may make adjustments to Sub-Program budgets.” Changes to budgets that are 5% or less may be made immediately by ACE, but changes “exceeding 5%” may not be made without notice to Board Staff and Rate Counsel. In a subsequent stipulation, filed in Docket No. 19111434, the Company agreed “to notify Staff and Rate Counsel, in writing and electronically, within a month of any change in the current anticipated project budget of 5% or more for each of the PowerAhead projects providing a detailed explanation supporting the budget change.”

ACE timely submits the within notice regarding the Harbor Beach Substation project in accordance with the Stipulation. Thank you for your attention to this matter. Should you have any questions or concerns, please feel free to contact me.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Cynthia L.M. Holland".

Cynthia L.M. Holland
An Attorney at Law of the
State of New Jersey

cc: Bob Brabston, Esquire, BPU
Abe Silverman, Esquire, BPU
Stacy Peterson, BPU
Paul Lupo, BPU
Suzanne N. Patnaude, Esquire, BPU
Jackie O'Grady, BPU
Brandon C. Simmons, Deputy Attorney General
Brian O. Lipman, Esquire, Division of Rate Counsel
T. David Wand, Esquire, Division of Rate Counsel
Debora Layugan, Division of Rate Counsel