

92DC42
PO Box 6066
Newark, DE 19714-6066

302.429.3105 - Telephone
302.429.3801 - Facsimile
philip.passanante@pepcoholdings.com

500 N. Wakefield Drive
Newark, DE 19702

atlanticcityelectric.com

October 16, 2020

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: Barrier Island Feeder Tie Sub-Program Adjustment
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.

Attached for your review and consideration is a Notice of Barrier Island Feeder Tie Sub-Program Adjustment (the "Notice"). The Notice also seeks approval to transfer the \$3 million from the Barrier Island Feeder Tie Sub-program to the Selective Undergrounding Sub-project in the Second Street South feeder and the rationale supporting this request.

Consistent with the Order issued by the New Jersey Board of Public Utilities (the "Board" or "BPU") 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.

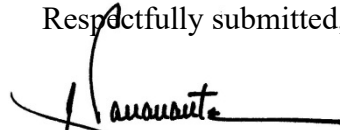
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Thank you for your cooperation and anticipated approval. Feel free to contact the undersigned with any questions.

Respectfully submitted,

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

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

Enclosure

cc: Paul Flanagan, Esquire, BPU
Abraham Silverman, Esquire, BPU
Christine Guhl Sadovy, Esquire, Chief of Staff, BPU
Stacy Peterson, BPU
Suzanne N. Patnaude, Esquire, BPU
Jackie O'Grady, BPU
Brandon C. Simmons, Esquire, Deputy Attorney General
Stefanie A. Brand, Esquire, Division of Rate Counsel
Brian O. Lipman, Esquire, Division of Rate Counsel
Ami Morita, Esquire, Division of Rate Counsel
Debora Layugan, Division of Rate Counsel

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Barrier Island Feeder Tie Sub-Program Adjustment

Please be advised that Atlantic City Electric Company (“ACE” or the “Company”) is cancelling the Ocean City, Merion and Marven Barrier Tie projects because of the anticipated cost increases associated with contract labor, environmental studies/permitting, and engineering design. The Company explored the option of using the Ocean City-Longport bridge as the preferred method to create this barrier island feeder tie; however, due to environmental studies, timing restrictions, constructability timeline concerns, and anticipated project cost of \$5.4 million, ACE is cancelling this project and reducing the Barrier Island Feeder Tie sub-program budget to \$10 million.

The following table reflects the proposed sub-program adjustments:

	Prior BT Funding	Adjusted BT Funding
Court and Lake Ave. Substations	\$4,500	\$4,500
Lake Ave. and Rio Grande Substations	\$3,000	\$3,000
Ocean City, Merion and Marven Substations	\$3,000	\$0
Pleasantville and Marven Substations	\$2,500	\$2,500
Total	\$13,000	\$10,000

**Dollar amount in thousands.*

Selective Undergrounding Sub-Program Adjustment Request

The Ocean City, Merion, and Marven Substations feeder tie project is being cancelled due to an anticipated increase in cost(s) over its original estimate of \$3 million. ACE respectfully requests consent to transfer the \$3 million from the Barrier Island Feeder Tie sub-program into the Selective Undergrounding sub-project. The Company would use the \$3 million to perform additional undergrounding on the Second Street South feeder (NJ 0213), which is approved under the PowerAhead Stipulation within the “Laurel Lakes” development.

Rationale: In recent years, the Laurel Lakes development has experienced a significant number of weather- and vegetation-related outages due to excessive tree canopy and trees outside of the right of way, which can be eliminated by undergrounding existing overhead sections of the feeder. By increasing the budget by the \$3 million that will not be used by virtue of the cancellation of the Ocean City, Merion and Marven Barrier Tie projects, additional sections of the NJ 0213 can be converted to underground. The Second Street South feeder has experienced 91 outage events and 1,503 Customer Interruptions (“CIs”) (65 outages and 1,081 CIs during declared storms) over the past five years. The distribution system in the Laurel Lakes development contains short laterals with fuses at the connection point to the mainline, which helps prevent large customer events but increases the total number of outages. A typical outage repair cost in the area can range from \$7,500 - \$15,000. Approval of this adjustment request could result in an estimated savings of \$682,000 - \$1,365,000 over a five-year period. Since the majority of the outages have small customer counts and require tree removal before repairs can be made, these CIs have averaged 364 minutes over the past five years.

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	Prior Selective Undergrounding Feeder Tie Funding	Adjusted Selective Undergrounding Feeder Tie Funding
Laurel Lakes – Second Street South NJ0213	\$5,000,000	\$8,000,000

Thank you for your consideration and anticipated cooperation in this matter.