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February 17, 2022

Via Electronic Mail

Jeremy Clark
Vice President
Pegasus-Global Holdings, Inc.
1750 Emerick Road
Cle Elum, WA 98922
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**Re: Winslow Fiber Project in the Atlantic City Electric Company Infrastructure Investment Program (“IIP”) Independent Monitor Report Covering Q1 2021 – Q2 2021
Docket No. EO18020196**

Dear Mr. Clark:

This letter is in response to the *Infrastructure Investment Program Independent Monitor Report Covering Q1 2021 – Q2 2021* (“Report”) by Pegasus Global Holdings, Inc. (“Pegasus”), the IIP’s Independent Monitor. N.J.A.C. 14:3-2A.5(c)(2) requires that monitor reports covering Infrastructure Investment Programs shall address “(i) The effectiveness of Infrastructure Investment Program investments in meeting project objectives; (ii) The cost-effectiveness and efficiency of investments; (iii) The appropriateness of cost assignments; and (iv) Any other information required by the Board.” Monitor reports are not intended to evaluate projects that are not part of an approved Infrastructure Investment Program.

As stated in Rate Counsel’s Objection Letter dated February 3, 2022, the Winslow Fiber Project is not listed in Exhibit A of the Board-approved Stipulation between Rate Counsel, ACE, and Board Staff (the “Parties”) regarding the ACE IIP program. Nonetheless, the recently released Report finds that the proposed Winslow Fiber Project is “Reasonable and appropriate.” Report at 7. Additionally, the Independent Monitor goes on to find that “the decision to add an

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additional fiber project to the Program as appropriate and in alignment with the intent and objectives of the Fiber/Infrastructure subprogram to enhance ACE's communication networks and help ensure it supports the Company's Distribution Automation efforts" and "[t]he selection of the Winslow Ops-Silver Lake fiber project will improve the fiber optic diversity in the Winslow District in support of the Distribution Automation efforts." Report at 9.

Rate Counsel objects to the Independent Monitor's evaluation of a project that is not part of the Board-approved ACE IIP. Evaluation and findings regarding the appropriateness of projects not approved by the Board for the ACE IIP exceeds the Independent Monitor's scope of review in this proceeding. Therefore, Rate Counsel requests that any references and findings be struck from the Report and an amended Report be circulated.

If you have any questions, please contact me at rglover@rpa.nj.gov.

Very truly yours,

BRIAN O. LIPMAN, ACTING DIRECTOR
DIVISION OF RATE COUNSEL

By: */s/ Robert Glover*

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