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January 10, 2020

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
400 North Street
Harrisburg, PA 17120

Re: Letter of Notification of PECO Energy Company for the Reconstruction of a Section of the 130-43 Transmission Line in the City of Philadelphia, Pennsylvania, Docket No. A-2019-3008676

Project Status

Dear Secretary Chiavetta:

On January 7, 2020, the Commission issued a Secretarial Letter in which it stated that, within 20 days (by June 24, 2019), PECO should submit the final project cost to the Commission.

By way of background, in PECO's Letter of Notification, initially filed on March 18, 2019, it stated (¶ 11) that it expected to complete work on this project between April 1-19, 2019 (to coordinate with a scheduled transmission outage and availability of a SEPTA rail track) and (¶ 9) that it expected the project to cost approximately \$2.79 million, comprised of \$165,000 for materials and \$2.625 million for direct labor and allocated overhead and management costs.

PECO was able to coordinate the scheduled reconstruction work with the planned outage and use of the SEPTA track. PECO installed the new poles and moved the conductors to their new location during that outage; this work was completed on April 23, 2019. The facility was re-energized at that time and is operating in normal configuration.

However, during the spring transmission outage, PECO was not able to complete removal of its existing "alley arm" from the Amtrak catenary structure to which the 130-43 line had been attached prior to this project. The alley arm work will require additional access to the railroad right-of-way and may require an additional transmission outage. The pendency of this final piece of work does not interfere with either rail or utility operations.

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The project work to date was completed for a cost of \$2.13 million, or approximately 76% of the project budget. Materials costs to date have been \$175,000, while labor and allocated overheads to date have been \$1.955 million. The labor and allocated overhead savings were primarily driven by better-than-expected access to the railroad right-of-way during the outage and the fact that no unexpected construction contingencies arose during the project.

PECO estimates that the work to remove the alley arm will cost \$100,000 or less, depending upon whether a transmission outage is needed and depending upon the terms of access to the railroad right-of-way (the SEPTA track that was used in the spring of 2019 is no longer available). PECO thus anticipates that the final project cost, including the alley arm removal, will be approximately \$2.23 million, or about 80% of its original project budget.

PECO reported all of the above information to the Commission by letter of June 12, 2019. In the June 12, 2019 letter PECO also stated that, at that time, PECO was working with the railroads to schedule the remaining work in fall 2019.

Although PECO and the railroads have been working together since fall 2019 to schedule this last piece of work, to date they have not been able to schedule a common time that fits both PECO and railroad operational constraints. Consequently, the alley arm has not been removed. PECO currently has a request to the railroads that it be allowed to do the work in late February, but the railroads have not yet had granted or denied that request. PECO will continue to work with the railroads to schedule removal of the alley arm (PECO reiterates that the alley arm does not interfere with either PECO or railroad operations), but does not currently know when the railroads will approve PECO to finish the work.

PECO will provide final project costs once that work is complete. Until that time, PECO will file brief status updates at the end of each calendar quarter to keep the Commission apprised of the status of the final work on this project.

Sincerely,



Ward L. Smith
Counsel for PECO Energy Company

WS/ads

Enclosures

cc: Jordan Van Order, Bureau of Technical Utility Services (via email)