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March 24, 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. On January 10, 2020, PECO submitted a status update, in which it proposed to provide quarterly updates until the project is complete. This is the first quarterly update.

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 2019 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. In its January 10, 2020 Status Report, PECO stated that the alley arm work would require additional access to the railroad right-of-way and may require an additional transmission outage, and that the pendency of this final piece of work does not interfere with either rail or utility operations.

In its January Status Report, PECO further stated that the project work to that time was completed for a cost of \$2.13 million, or approximately 76% of the project budget. Materials costs to that date had been \$175,000, while labor and allocated overheads to that date had 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.

Further in its January Status Report, PECO estimated that the work to remove the alley arm would cost \$100,000 or less, depending upon whether a transmission outage was 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 stated that it anticipated 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 and Amtrak scheduled the alley arm removal for March 10 and 11, 2020. On March 10, PECO deployed a crew and completed approximately 75% of the alley arm removal. However, Amtrak cancelled the March 11 work and the remainder of the work is now indeterminately delayed as both entities focus attention on COVID-19 issues. PECO reiterates that the remaining alley arm work does not interfere with either PECO or railroad operations.

The March 10, 2020 alley arm work was performed for less than \$50,000 in labor costs. With one day of field labor remaining, the total cost of the project is thus \$2.18 million, or 78% of the original \$2.79 million project budget. PECO expects that the final day of work will cost less than \$50,000, and that the entire project will thus be completed for about 80% of PECO's original project budget.

PECO does not know when Amtrak and PECO will be able to reschedule the remaining day of work. Given COVID-19 priorities and the fact that the remaining alley arm removal work does not interfere with utility or railroad operations, it could be some time before it is scheduled. PECO therefore does not believe that quarterly reports will be of further use to the Commission. Moreover, given that the remaining work is immaterial in scope and cost, does not affect PECO or railroad operations, and that the entire project is well under budget, PECO requests that this report be accepted as its final estimate of project costs.

Sincerely,

Ward Smith

Ward L. Smith
Counsel for PECO Energy Company

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