Date Filed: September 23, 2026

Witness: Amparo Nieto
Request from: National Railroad Passenger Corp. (Amtrak)

Question:

Explain the derivation of the minimum system classification factors for overhead and underground transformers shown in Table 1 of Exhibit CLP-ACOS-1. Specifically, identify the assumed minimum transformer sizes, average transformer sizes, installed costs, and the treatment of excavation, restoration, and other installation costs used to calculate the customer-related percentages of 42.9% for overhead transformers and 19.1% for underground transformers.

Response:

The Minimum System Study was conducted by the Company using inventory from the Company's Continuing Property Records ("CPR") found in the Asset Management module in PowerPlan. The analysis included, as a starting point, the original cost of all construction of overhead and underground transformers installed. All original cost dollars were brought into year 2025 dollars and added up separately for Overhead ("OH") and Underground ("UG") transformers, by applying the corresponding Handy-Whitman index.

Next, a minimum cost for transformers was calculated, in 2025 dollars. The minimum system represents the minimum size that must be installed for an interconnecting customer before the Company accounts for the customer's expected demand. The Company determined the minimum cost, in year 2025 dollars, using the cost of a 1-phase Overhead 25 kVA transformer as a measure of the minimum size. The cost of this minimum sized transformer, stated in 2025 dollars, was multiplied by the number of OH transformers currently in service to provide the total customer-related share of OH transformers. These costs, divided by the total costs of OH transformers (in 2025 dollars) results in the customer-related portion of 42.9%. The remaining cost represents the demand-related portion of the OH transformers. The same exercise was performed for UG transformers, which results in a customer-related share for all UG transformers in service of 19.1%.

Detailed information on original costs, size of the transformer costs in the inventory, and Handy-Whitman update calculations are included in CIEC-019, Attachment 1.