Date Filed: September 23, 2026

Witness: Douglas P. Horton
Request from: National Railroad Passenger Corp. (Amtrak)

Question:

Provide illustrative examples showing how a positive or negative adjustment under each mechanism identified in AMTRAK-11 would be reflected in customer rates and customer bills during the PBMRP term.

Response:

Please refer to AMTRAK-012, Attachment 1, for illustrative examples of how incremental revenues in the Company's PBMRP proposal would be reflected in customer rates.

As described in the Company's response to AMTRAK-011[i], the manner in which an increase or decrease in one revenue component occurs is the same manner as the other components. Therefore, the Company's illustrative examples in AMTRAK-012, Attachment 1, represent the total conceptual result of all revenue components of its PBMRP proposal.

Specifically, Attachment 1 provides an illustrative example for Rate Years 2, 3, and 4, assuming Rate Year 1 revenues are approved as proposed in this proceeding (meaning that, the F-Factor for rate year 1 is set to 0, because rate year capital has been approved to be reflected in base rates with new rates effective in this proceeding). For this response, the incremental revenues for Rate Years 2, 3, and 4 are the result of the Company's illustrative model filed in EOE-156 Attachment 1, worksheet "PBR-1 Total PBRA". Illustrative annual incremental revenues are $77.6 million for Rate Year 2, $81.1 million for Rate Year 3, and $83.0 million for Rate Year 4. These amounts are shown on Line 66, Column L of each page of AMTRAK-012, Attachment 1. Lines 16-64 of the same column then allocate those incremental revenues by customer class according to each customer class's prior rate year revenues as functions of prior rate year revenues. Attachment 1 provides Rate Year 2, 3, and 4 versions of CLP-RATES-2.3 page 1 of 6. Attachment 1, Page 1, Column F ties directly to the Total (Column AP) from the original exhibit (CLP-RATES-2.3 page 1) as a new starting point. All else remains the same except for the annual incremental distribution revenues found in column L for Rate Years 2, 3, and 4. The difference between the Rate Year 1 Total (Column F) and the Rate Year 2 Total (Column AS) is due entirely to Rate Year 2 incremental distribution revenue (Column L) found on Page 1. All other rates and mechanisms (Columns O through AQ) are included for completeness of understanding the illustrative total bill, but do not impact the allocation of illustrative distribution revenue increases to customer classes. Therefore, all other mechanisms included in Attachment 1 are held constant.

Lastly, Rate Year 3 Total differs from Rate Year 2 by the incremental Rate Year 3 distribution revenue only, while Rate Year 4 Total differs from Rate Year 3 by the incremental Rate Year 4 distribution revenue only.

Prior Referenced Response:

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[i] AMTRAK-011 Question:

Describe how each component of the proposed PBMRP will be translated into customer rates during the PBMRP term. Specifically, for each of the following components, identify: (a) the mechanism through which the revenue requirement, credit, penalty, or incentive will be reflected in customer rates; (b) whether the adjustment will be implemented through a separate rider, existing rate components, or another mechanism; (c) how the adjustment will be allocated among rate classes; and (d) how the adjustment will appear on customer bills:

a. The annual revenue adjustment mechanism (I-X adjustment);
b. The capital funding mechanism;
c. The consumer dividend;
d. The earnings sharing mechanism;
e. The performance incentive mechanism, penalties, and rewards; and
f. Any approved Z-factor adjustment.

AMTRAK-011 Response:

In this proceeding the Company has presented the PERFORMANCE-BASED MULTI-YEAR RATE PLAN (PBMRP) RIDER in Exhibit CLP-RATES-3 describing the mechanism, including application of each component outlined in this data request.

In summary, the manner in which an increase or decrease related to one or more of this question's subparts is the same as the other components. That is, a revenue increase resulting from the I-X calculation (subpart 'a'), for example, would flow through rates mechanically the same way as an increase related to the F-Factor capital funding mechanism (subpart 'b'). All of these mechanisms would flow through base distribution rates on customer bills as established in this proceeding and not through other riders or mechanisms.

Revenue adjustments incremental to the base revenue requirement resulting from this proceeding will be allocated among Customer Classes using the Class Allocation Factors and applied to the Base Rate Components for each Customer Class based on the billing determinants established by PURA in setting Initial Base Rates.