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January 11, 2017

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

VIA ELECTRONIC FILING

**RE: National Railroad Passenger Corporation v. PPL Electric Utilities Corporation;
Docket No. C-2016-2580526**

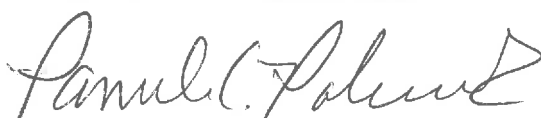
**PPL Electric Utilities Corporation Supplement No. 213 to Tariff Electric P.A. PUC No. 201
for Rate Schedule LPEP; Docket No. R-2016-2569975**

Dear Secretary Chiavetta:

Attached please find for filing with the Pennsylvania Public Utility Commission the Reply of the National Railroad Passenger Corporation ("Amtrak") to the New Matter of PPL Electric Utilities Corporation. As shown on the attached Certificate of Service, all parties to this proceeding are being duly served. Thank you.

Very truly yours,

McNEES WALLACE & NURICK LLC

By 
Pamela C. Polacek

Counsel to National Railroad Passenger Corporation ("Amtrak")

Enclosures

c: Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants listed below in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

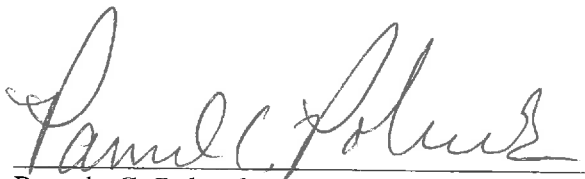
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Pamela C. Polacek

Counsel to National Railroad Passenger
Corporation

Dated this 11th day of January, 2017, at Harrisburg, Pennsylvania.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

NATIONAL RAILROAD PASSENGER CORPORATION	:	
	:	
COMPLAINANT	:	Docket No. C-2016-2580526
	:	
v.	:	
	:	
PPL ELECTRIC UTILITIES CORPORATION,	:	
	:	
RESPONDENT	:	
	:	
PPL ELECTRIC UTILITIES CORPORATION SUPPLEMENT NO. 213 TO TARIFF ELECTRIC PA PUC NO. 201 FOR RATE SCHEDULE LPEP	:	Docket No. R-2016-2569975
	:	

**REPLY OF NATIONAL RAILROAD PASSENGER CORPORATION
TO THE NEW MATTER OF
PPL ELECTRIC UTILITIES CORPORATION**

Pursuant to 52 Pa. Code Section 5.63(a), National Railroad Passenger Corporation ("Amtrak") hereby submits this Reply to the New Matter filed by PPL Electric Utilities Corporation ("PPL") ("New Matter") in response to Amtrak's Complaint and New Matter. PPL's New Matter begins on page 18 of its Answer and New Matter, which was filed on December 22, 2016, in the above-docketed proceeding. In this Reply, any of PPL's averments not expressly admitted by Amtrak are hereby denied. For the reasons set forth herein, Amtrak respectfully requests that the Pennsylvania Public Utility Commission ("PUC" or "Commission") reject the averments in PPL's New Matter. By and in support hereof, Amtrak states as follows:

1. Amtrak avers that Paragraph 1 of Exhibit B to the Complaint and New Matter speaks for itself and no further response is required.

2. Amtrak avers that Paragraph 2 of Exhibit B to the Complaint and New Matter speaks for itself and no further response is required.

3. Amtrak avers that Paragraph 3 of Exhibit B to the Complaint and New Matter speaks for itself and no further response is required.

4. Amtrak avers that the Joint Petition for Approval of Settlement of All Issues ("2015 Settlement") at Docket No. R-2015-2469275 speaks for itself and no response is required. By way of further response, Amtrak and PPL also executed the "Mutual Settlement Agreement Among PPL Electric Utilities Corporation and National Railroad Passenger Corporation" ("Mutual Settlement Agreement"), which Amtrak attached to its Complaint and New Matter as Exhibit B. That separate Mutual Settlement Agreement contains language similar to Paragraphs 29 through 31 of the 2015 Settlement, but contains more detail regarding the agreement between Amtrak and PPL on the scope of the negotiations and Amtrak's resolution of rights if a settlement could not be reached by September 1, 2016. In relevant part, the Mutual Settlement Agreement states:

6. PPL Electric and Amtrak agree that for purposes of settlement of this proceeding the customer charge for Rate Schedule LPEP will be reduced from the proposed \$252,647.17 per month to a settlement rate of \$126,323.59 per month. PPL Electric and Amtrak further agree that the \$126,323.59 monthly customer charge consists of the current \$37,100 monthly customer charge and an increase related to upgrades at the Conestoga Substation of [\$89,223.59]. The \$126.323.59 customer charge shall be effective on January 1, 2016, subject to further resolution of the issues as described in Paragraphs 7 through 9.

7. PPL Electric and Amtrak agree to continue to work together to resolve all open issues regarding the upgrade of the Conestoga Substation, including possible alternative resolution regarding the final scope, timing, and costs of the upgrades needed for the Conestoga Substation. Both parties agree to consider all potential solutions, including, but not limited to, direct funding by Amtrak, purchase of the Conestoga Substation by Amtrak, recovery of costs through base rates, and/or transfer of 2 existing Amtrak transformers

from the Metuchen Station to the Conestoga Substation. PPL Electric and Amtrak agree to make good faith efforts to conclude the negotiations and execute a final agreement by no later than September 1, 2016.

8. PPL Electric and Amtrak agree that upon reaching an agreement regarding the Conestoga Substation, PPL Electric will submit a further tariff filing for Rate Schedule LPEP to reflect the negotiated agreement ultimately reached by PPL Electric and Amtrak.
9. If PPL Electric and Amtrak are unable to reach an agreement by September 1, 2016, PPL Electric will undertake all improvements needed for the Conestoga Substation that are in its opinion necessary or proper to provide safe and reliable service to Amtrak, and will make an appropriate tariff filing to fully recover those costs. PPL Electric agrees to serve Amtrak with an electronic copy of the tariff filing upon submission to the Pa. PUC, Amtrak reserves all rights to contest the tariff filing before the Pa. PUC.

Complaint and New Matter, Exhibit B, ¶¶ 6-9.¹ The PUC's November 19, 2015 Order approved the 2015 Settlement without modification and noted that the approval was "subject to the terms and conditions" set forth in the 2015 Settlement. *See* Opinion and Order, Pa. PUC v. PPL Elec. Utils. Corp., Docket No. R-2015-2469275, Ordering ¶¶ 3 & 5 (Nov. 19, 2015) ("November 19 Order"). The November 19 Order stated that Amtrak was to pay \$126,323.59 per month during the negotiation period and ordered that the incremental \$89,223.59 be used for the Conestoga upgrade.

5. Admitted.

¹ As indicated by the Mutual Settlement Agreement, the monthly customer charge for Rate LPEP was \$37,100 per month prior to PPL's 2015 base rate proceeding at Docket No. R-2015-2469275. Amtrak has noticed that other pleadings under C-2016-2580526 and R-2016-2569975 reference that customer charge as \$31,700. To resolve any confusion, Amtrak clarifies that the monthly customer charge prior to the 2015 base rate proceeding is \$37,100. *See* Redlined Supplement No. 179 to Tariff Electric Pa. P.U.C. No. 201, Twenty-Fourth Revised Page No. 29 (Canceling Twenty-Third Revised Page No. 29), Docket No. R-2015-2469275 (available at <http://www.puc.pa.gov/pcdocs/1350814.pdf>); *see also* Supplement No. 125 to Tariff Electric Pa. P.U.C. No. 201, Twenty Third Revised Page No. 29 (Canceling Twenty-First and Twenty-Second Revised Page No. 29), filed under R-2012-2290597 (available at <http://www.puc.pa.gov/pcdocs/1207615.pdf>).

6. Admitted. By way of further clarification, we are incorporating by reference Amtrak's response in Paragraph 4 of this Reply.

7. Denied.

8. Denied. As discussed in Paragraphs 4-24 of this Reply, and Paragraphs 32 through 43 of Amtrak's Answer to PPL's Preliminary Objections, Amtrak's requests for refunds are permissible under the 2015 Settlement, the Mutual Settlement Agreement and the November 19 Order.

9. The averment in Paragraph 9 of PPL's New Matter is a conclusion of law to which no response is required. Even if the settlement rate were to be considered a Commission-made rate, that rate expired on September 1, 2016, by the terms of the 2015 Settlement and the terms of the November 19 Order. Amtrak incorporates by reference Paragraphs 4-24 herein, as well as Paragraphs 14-15 and 32-43 of Amtrak's Answer to PPL's Preliminary Objections. *See* 2015 Settlement ¶ 12(d) and November 19 Order ¶ 5.

10. The averment in Paragraph 10 of PPL's New Matter is a conclusion of law to which no response is required. By way of further response, Amtrak's requests for refunds and to reduce its monthly distribution payment as of September 1, 2016, are not barred because the settlement contemplated that Amtrak would pay the higher charge only through September 1, 2016 and because the disposition of the incremental \$89,223.59 each month for service from January 1, 2016, through August 31, 2016, was an issue to be resolved by the failed negotiations.

11. The averment in Paragraph 11 of PPL's New Matter is a conclusion of law to which no response is required.

12. Denied.

13. Denied as stated. Amtrak admits only that the proposed distribution rates in the 2015 base rate case were calculated based on the assumption that the projected upgrades to the Conestoga Substation would be completed by December 31, 2016; however, Amtrak denies that those upgrades were "scheduled" or could realistically have been completed by December 31, 2016.

14. Amtrak avers that Paragraph 4 of Exhibit B of the Complaint and New Matter speaks for itself and no further response is required.

15. Amtrak avers that Paragraph 4 of Exhibit B of the Complaint and New Matter speaks for itself and no further response is required.

16. Amtrak avers that Paragraph 6 of Exhibit B of the Complaint and New Matter speaks for itself and no further response is required.

17. Amtrak avers that Paragraph 7 of Exhibit B of the Complaint and New Matter speaks for itself and no further response is required.

18. Amtrak avers that Paragraph 8 of Exhibit B of the Complaint and New Matter speaks for itself and no further response is required.

19. Amtrak avers that Paragraphs 7-9 of Exhibit B of the Complaint and New Matter speak for themselves and no further response is required.

20. Denied. In further response, Amtrak notes that the Settlements between Amtrak and PPL speak for themselves. By way of further response, Amtrak notes that, like the 2015 Settlement and the November 19 Order, the Mutual Settlement Agreement specifically indicates:

6. PPL Electric and Amtrak agree that *for purposes of settlement of this proceeding* the customer charge for Rate Schedule LPEP will be reduced from the proposed \$252,647.17 per month to a settlement rate of \$126,323.59 per month. PPL Electric and Amtrak further agree that the \$126,323.59 monthly customer charge consists of the current \$37,100 monthly customer charge and an increase related to upgrades at the Conestoga Substation of [\$89,223.59]. The \$126,323.59 customer charge shall be effective on January 1, 2016, subject to further resolution of the issues as described in Paragraphs 7 through 9.
7. PPL Electric and Amtrak agree to continue to work together to resolve all open issues regarding the upgrade of the Conestoga Substation, including possible alternative resolution regarding the final scope, timing, and costs of the upgrades needed for the Conestoga Substation . . . *PPL Electric and Amtrak agree to make good faith efforts to conclude the negotiations and execute a final agreement by no later than September 1, 2016.*

Complaint and New Matter, Exhibit B, ¶¶ 6-7 (emphasis added). Paragraph 9 of the Mutual Settlement Agreement provides that if PPL and Amtrak cannot negotiate a settlement by September 1, 2016, PPL "will undertake all improvements needed for the Conestoga Substation that are in its opinion necessary or proper to provide safe and reliable service to Amtrak, and will make an appropriate tariff filing to fully recover those costs." *Id.* at ¶ 9. Accordingly, the monthly customer charge for Rate LPEP reverted to \$37,100 after the settlement rate expired by the terms of the November 19 Order.

21. Denied. By way of additional response, Amtrak incorporates by reference Paragraphs 4 through 24 of this Reply and Paragraphs 14-15 and 29-43 of Amtrak's Answer to PPL's Preliminary Objections. Amtrak also notes that the PUC's November 19 Order expressly indicated that settlement rate only applied "for purposes of settlement of this proceeding . . . subject to further resolution." November 19 Order, p. 9. Accordingly, the only un-expired PUC-approved rate is \$37,100. Furthermore, as demonstrated in Paragraphs 4 through 24 of this Reply, and

Paragraphs 33 and 43 of Amtrak's Answer to PPL's Preliminary Objections, the Commission may order retroactive refunds in this circumstance under the settlement documents. Finally, Paragraphs 62 and 63 of the 2015 Settlement and Paragraph 9 of the Mutual Settlement Agreement both reserve all rights and arguments in future proceedings, such as this.

22. Denied. By way of further response, Amtrak incorporates by reference Paragraphs 4 through 21 of this Reply.

23. Denied. By way of further response, Amtrak incorporates by reference Paragraphs 20 through 22 of this Reply.

24. Denied.

25. Denied. By way of further response, Amtrak hereby incorporates Paragraphs 20 through 24 of this Reply.

26. Denied. Section 5.62 of the Commission's Regulations speaks for itself and requires no response. 52 Pa. Code § 5.62.

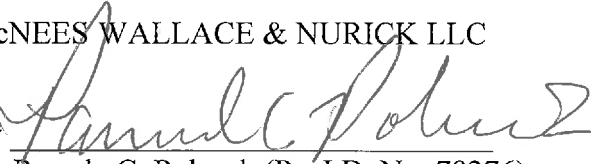
II. CONCLUSION

WHEREFORE, National Railroad Passenger Corporation, respectfully requests that PPL's aversions in its New Matter be rejected.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By



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Dated: January 11, 2017

