

Exhibit No. \_\_\_\_\_  
Witness: SW

**DIRECT TESTIMONY OF  
STEVE WELLER  
ON BEHALF OF  
TOLL ROAD INVESTORS PARTNERSHIP II, L.P.  
CASE NO. PUR-2023-00089**

**SUMMARY OF DIRECT TESTIMONY OF STEVE WELLER**

In my direct testimony I discuss:

- the context of historic and current traffic levels on the Dulles Greenway, focusing mainly on the impacts of and recovery from the COVID-19 Pandemic;
- improvements to alternative roads in the area and investments that TRIP II has made in the Greenway;
- TRIP II's Proposed Tolls, including the appropriate differential between peak and off-peak tolls; and
- the method to determine whether the Proposed Tolls materially discourage use of the Greenway.

**DIRECT TESTIMONY OF  
STEVE WELLER  
ON BEHALF OF  
TOLL ROAD INVESTORS PARTNERSHIP II, L.P.  
BEFORE THE  
STATE CORPORATION COMMISSION OF  
VIRGINIA CASE NO. PUR-2023-00089**

1   **Q.    Please state your name, business address, and position of employment.**

2    A.    My name is Steve Weller. I am Lead of Forecasting and Analytics, North America,  
3        for Atlas Arteria. Atlas Arteria is the owner of a 100% effective economic interest in  
4        Toll Road Investors Partnership II, L.P. (“TRIP II,” or “Company”).

5   **Q.    Please describe your background and your responsibilities as Lead, Forecasting  
6        and Analytics.**

7    A.    I have a Bachelor of Science in Civil Engineering from the University of Virginia and  
8        a Master of Engineering in Civil Engineering from the Pennsylvania State University.  
9        Since graduating in December 1996, I have worked for various consulting firms in  
10       Northern Virginia developing and applying demand forecasting models for urban and  
11       intercity rail projects, multimodal corridor studies, and tolled highways and express  
12       lanes around the US. In 2006 my family and I moved from Springfield, Virginia to  
13       Purcellville, Loudoun County, Virginia, where we have since lived.

14       I have over 25 years of experience working to develop forecasts for transportation  
15       infrastructure projects for both the public and private sectors. I began my career  
16       supporting high-speed and intercity rail projects for several states and Amtrak and  
17       thereafter expanded into other urban transit projects in the early 2000s. In 2005, I  
18       joined a small forecasting consultancy supporting the development of express lanes,  
19       including the I-495 and I-95 Express lanes, and conducting various level traffic and  
20       revenue studies across the U.S.

1 My toll and express lanes experience includes forecasts supporting billions of dollars  
2 of investment in projects; these include the I-495 and I-95 Express Lanes, Indiana  
3 Toll Road, Northwest Parkway, and SR 91. I have also developed non-revenue grade  
4 forecasts for projects including the I-495 Next, I-66 Inside the Beltway, I-66 Outside  
5 the Beltway, Hampton Roads Express Lanes Network, Sydney WestConnex Peer  
6 Review, I-710 South Funding Analysis, I-710 North Study, and Chicago Express  
7 Lanes. In addition, I have developed forecasts for many other traffic studies to  
8 support the transportation initiatives of a variety of public agencies.

9 Since joining Atlas Arteria in April 2021, my role has been to support existing ALX  
10 businesses with data analytics and forecasting needs as well as conducting traffic due  
11 diligence.

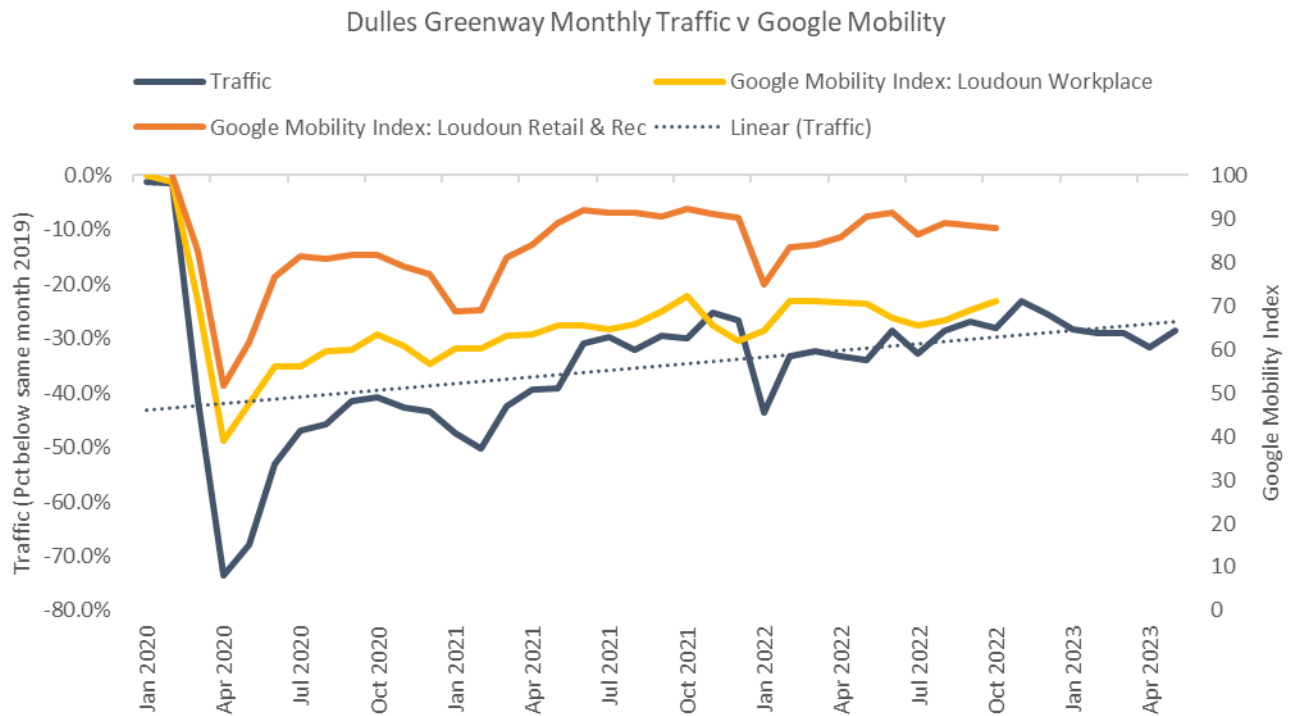
12 **Q. What is the purpose of your testimony in this proceeding?**

13 A. The purpose of my testimony is to provide context to the traffic operations and  
14 characteristics of traffic in the Greenway corridor in support of the testimony of  
15 Company witness Renee Hamilton and the testimony of Company witness David  
16 Cuneo. My testimony addresses the overall context of the Greenway corridor and the  
17 COVID-19 pandemic's impact on traffic and the subsequent and ongoing recovery  
18 thereof. In addition, I discuss and support the tolls proposed in this Application and  
19 the analysis of two of the criteria under Section 56-542 D of the Code of Virginia (the  
20 "Act") presented by Steer.

**I. The Impacts of COVID-19**

**Q. What impact did the COVID-19 pandemic have on traffic on the Greenway in general?**

A. Like many toll roads globally, the Greenway experienced significant impacts from the COVID-19 pandemic, experiencing a decline in traffic of up to 75% by April 2020 following the initial outbreak and lockdowns. After an initial recovery in traffic from May to October 2020, traffic growth remained relatively slow due to the rise in variants of the virus and continued working from home. Additionally, Loudoun County has limited public transportation options. Traffic across many facilities is bolstered by the shifting of transit trips to auto trips. Although Loudoun County had fewer transit trips, the Greenway may have benefited slightly from the reduction of transit trips in Loudoun County. Greenway traffic is growing at a modest rate as return to office traffic increases slowly in the corridor, however, remote work, particularly in white-collar employment, was adopted at a high rate across the U.S. in the wake of the COVID-19 pandemic and remains prevalent in certain geographic and work sectors, including the Dulles to Leesburg corridor. Peak-period traffic on the Greenway, which has historically benefited from a large number of commuters, therefore remains low. The Greenway's traffic recovery tended to correlate with the Google Mobility data that was available during the Pandemic. However, Google stopped providing the mobility index data in October 2022. The chart below shows the continued, albeit slow, recovery of Greenway traffic through April 2023 and how it has correlated with the Google Mobility data.



Note: Mobility data for Loudoun County from Google LLC "COVID-19 Community Mobility Reports" <https://www.google.com/covid19/mobility/>

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**Q. What levels of traffic did the Greenway experience through the Pandemic?**

A. Even at the height of the pandemic and the initial lockdowns in March and April of 2020, there continued to be significant amounts of traffic on the Greenway, with drivers using the roadway even when congestion was significantly reduced on alternate routes.

Traffic on the Greenway was down 42.8% in 2020, 35.1% in 2021, 30.8% in 2022, and 28.8% in 2023 (through end of March) compared to 2019 traffic levels. There has been sustained improvement in traffic from the low point in traffic in April 2020 with seasonal dips and impacts from variants through the development of this rate case submission.

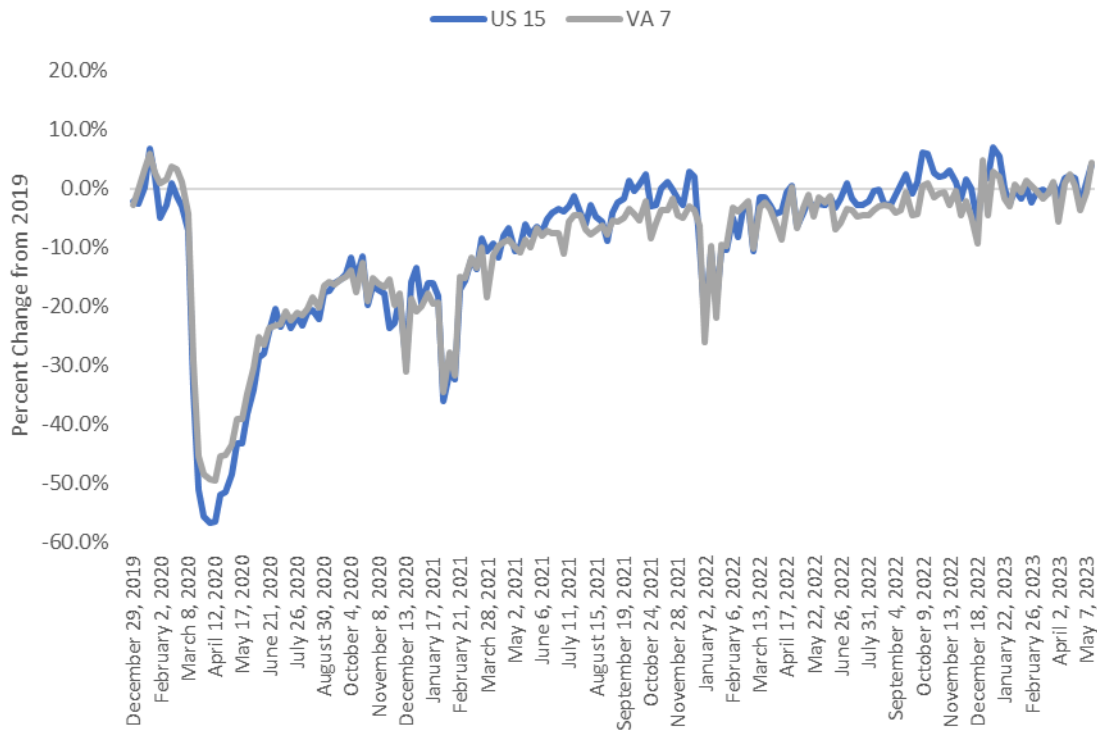
1 **Q. How did this compare to other roads in the region?**

2 A. Other roads in the region experienced similar traffic reductions in the early phases of  
3 the COVID-19 pandemic, although traffic on the Greenway and the Dulles Toll Road  
4 (“DTR”) appears to be recovering more slowly than other roads in the region due to  
5 more prevalent work from home practices continuing in the corridor. DTR traffic was  
6 also down compared to 2019 levels by 39.5% in 2020, 28.3% in 2021, 19.5% in 2022,  
7 and 20.4% through April 2023.

8 The Virginia Department of Transportation (“VDOT”) provides permanent traffic  
9 count information on roads across the Commonwealth as part of the “Virginia  
10 COVID-19 Traffic Trend Tool.”<sup>1</sup> The data includes traffic count locations near  
11 Leesburg on US 15 and VA 7. As seen in the figure below, this data shows that  
12 traffic on both VA 7 and US 15 dropped nearly 50% in March and April of 2020 at  
13 the beginning of the COVID-19 pandemic. Traffic improved to approximately 20%  
14 below 2019 levels by the end of 2020 and again through 2021 to less than 5% below  
15 2019 levels by the end of that year. From approximately February through May 2023,  
16 count locations on VA 7 and US 15 are equal to historical volumes from 2019.

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<sup>1</sup> See VDOT, Virginia COVID-19 Traffic Trend Tool,  
<https://public.tableau.com/app/profile/simona.babiceanu/viz/COVID-19VirginiaTrafficVolumes/ByLinkidDir>.

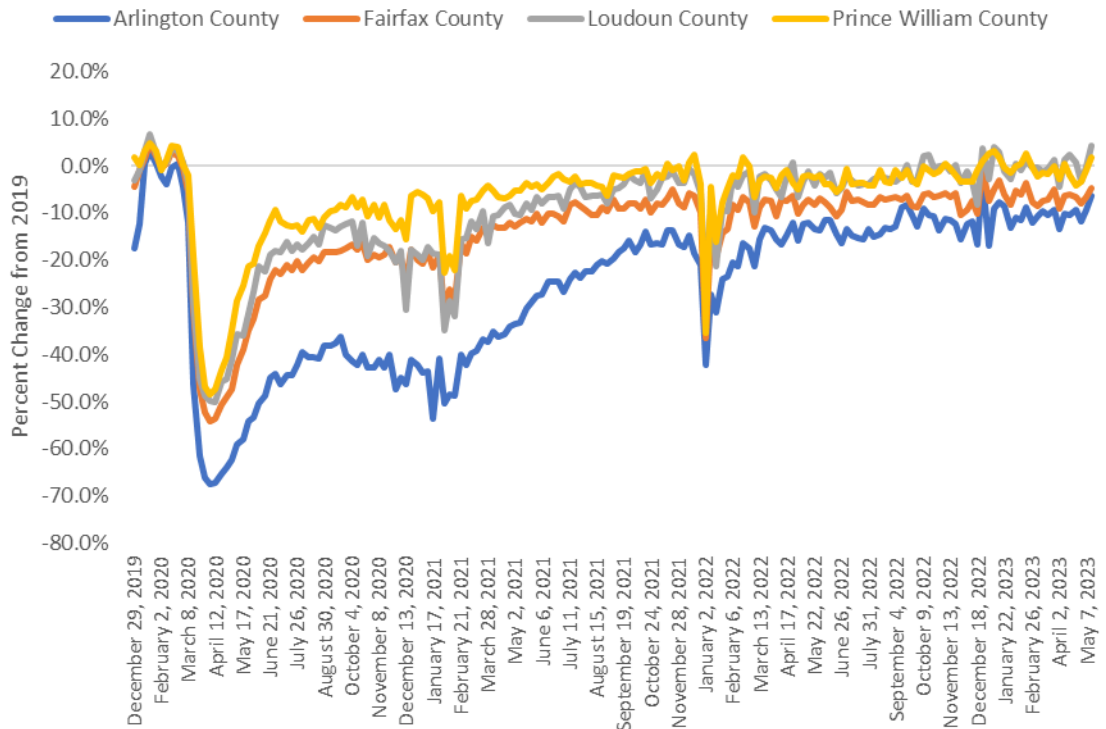


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The Virginia COVID-19 Traffic Trend Tool also compares the change in traffic by jurisdiction to 2019 conditions. This data shows that Loudoun County and Prince William County both returned to 2019 levels by December 2021, before the response to the Omicron variant caused a retreat in traffic in late December and January. Loudoun County and Prince William County both returned to close to 2019 levels by the end of February 2022 and have remained at that level. The jurisdictional traffic data shows that traffic volumes in Arlington County and Fairfax County have remained lower than the outer counties throughout the pandemic and remain approximately 10% and 5% below 2019 levels, respectively. Despite the reduction in overall traffic and congestion on competing routes, many drivers continued to choose



1 to use the Greenway to take advantage of its continued time savings, reliability, and  
2 safety benefits, and the general peace of mind it offers.



3  
4 **Q. How does this compare to other roads across the Country?**

5 A. While every market is unique, parallels to the Greenway can be seen in facilities with  
6 similar market types. The Greenway and DTR are part of a technology-centric  
7 corridor. Many of the larger employees in the corridor such as Appian, Google,  
8 Microsoft, and others have been slow to require workers to return to the office. As  
9 noted, traffic patterns on the Greenway and DTR have largely mirrored each other,  
10 with the Greenway slightly trailing DTR in terms of recovery.

11 While some facilities across the country have largely recovered and are currently  
12 experiencing total traffic volumes similar to 2019 levels, several other facilities in  
13 technology-focused corridors have remained low. This is likely due to the slower  
14 return to office plans in the high-tech industry. Several states and agencies have

1 stopped reporting traffic impacts from the COVID-19 pandemic, however, so some of  
2 these comparisons are dated but they present a view of traffic recovery in technology-  
3 focused areas.

4 For example, in Washington state, the State Route (“SR”) 99 toll tunnel in Seattle  
5 near Amazon’s corporate headquarters was approximately 40% below 2019 traffic  
6 levels as of summer 2022. Traffic on SR 520 between Seattle and Bellevue,  
7 Washington, where Microsoft’s corporate headquarters are located, was down 23%  
8 from 2019 levels when traffic updates stopped in July 2022. On the I-405 Express  
9 Toll Lanes from Lynnwood, Washington, to Bellevue, which is also in reasonable  
10 proximity to Microsoft, traffic was down approximately 10% from 2019, while the  
11 general purpose lanes were down approximately 5% for the same period. Other tolled  
12 facilities in Seattle not part of high-tech corridors, including the SR 167 high  
13 occupancy toll (“HOT”) lanes and the Tacoma Narrow Bridge, were less than 5%  
14 below 2019 levels by summer 2022.

15 Silicon Valley has experienced similar traffic patterns. For example, traffic recovery  
16 across the Dumbarton and San Mateo-Hayward Bridges remained well below other  
17 tolled bridges in the Bay Area in June 2021. The Dumbarton Bridge was down 45%  
18 and the San Mateo-Hayward Bridge was down 43%, while the other bridges were  
19 down 22% on average. The Bay Area’s Metropolitan Transportation Commission  
20 attributed the lower recovery to “[m]ega employers on the Peninsula (such as Google)  
21 allowing workers to continue remote work for the time being.”

1 **Q. What is the anticipated impact of the COVID-19 Pandemic on Greenway traffic**  
2 **in the future?**

3 A. While a clear picture of the long-term impacts of the COVID-19 pandemic on travel  
4 patterns continues to develop, it appears certain that the increase in flexible work  
5 options and changes to shopping patterns with the increase in e-commerce and home  
6 delivery services will continue into the future. Changes may also include long-term  
7 land use changes as individuals and families, businesses, and communities adjust to  
8 new behaviors and societal norms, which may result in the development of new trip  
9 patterns in the corridor that are different from historical trip patterns.

10 Various studies estimate similar increases in the number of individuals working from  
11 home in the future, resulting in an estimated approximately 20% reduction in  
12 commuter trips.<sup>2</sup> It is unclear the extent to which these changes will continue;  
13 however, Meta announced recently that it will join Amazon, Apple, Disney and  
14 several other large corporations in asking their employees to be in the office at least  
15 three days per week.<sup>3</sup>

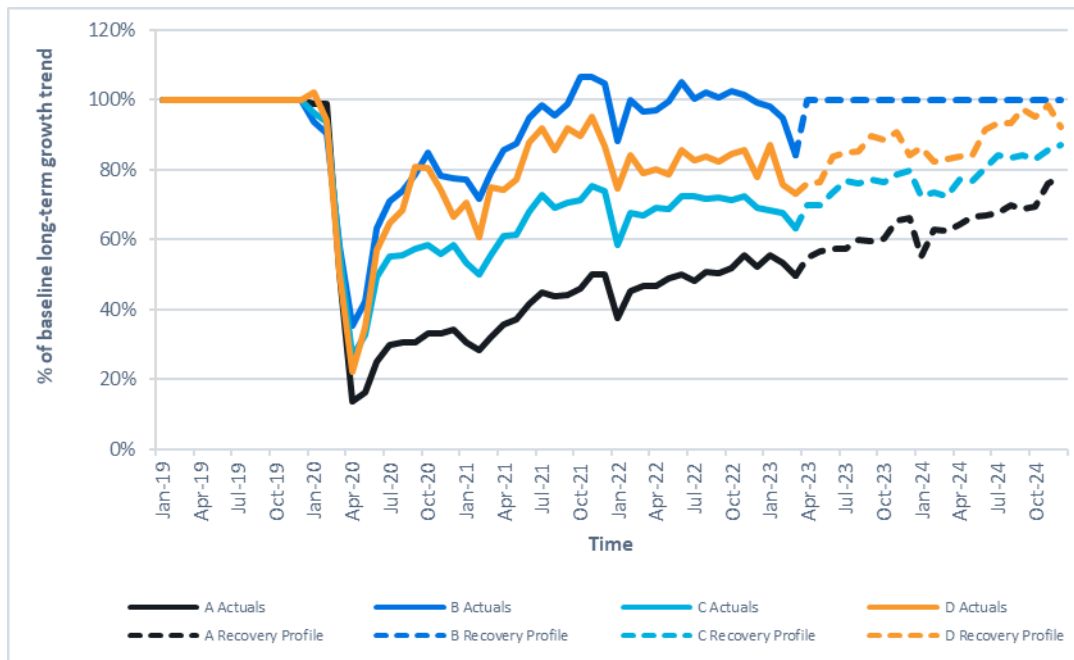
16 The Company's specific view of the continued path of recovery from COVID is  
17 addressed by Company witness Cuneo and addressed in a report prepared by Steer  
18 (the "Report"). Since there are no independent variables that can be applied to  
19 understand the return-to-office pattern and forecast into the future, Steer has

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<sup>2</sup> See Dr. Adam Ozimek, *Future Workforce Report 2021: How Remote Work is Changing Businesses Forever*, Upwork, <https://www.upwork.com/research/future-workforce-report>; Erica Coe, *et al.*, *Returning to Work: Keys to a Psychologically Safer Workplace*, MckKinsey & Co., <https://www.mckinsey.com/industries/healthcare/our-insights/returning-to-work-keys-to-a-psychologically-safer-workplace>; Jose Maria Barrero, Nicholas Bloom, & Stephen J. Davis, *Why Working from Home Will Stick*, National Bureau of Economic Research (Apr. 2021), [https://www.nber.org/system/files/working\\_papers/w28731/w28731.pdf](https://www.nber.org/system/files/working_papers/w28731/w28731.pdf).

<sup>3</sup> See Samantha Delouya, *Meta Asks Office Workers to Return to In-Person Work*, CNN (June 1, 2023), <https://www.cnn.com/2023/06/01/business/meta-return-to-office/index.html>.

1 developed time series models to develop a forecast of the return to office aspects of  
2 various submarkets on the Greenway. Based on the analysis in the Report, the figure  
3 below shows the actual and forecasted recovery of the potential Greenway travel for  
4 (A) peak period and direction mainline auto, (B) contra peak direction mainline auto,  
5 (C) off-peak mainline auto, and (D) mainline weekend auto. The lines were created  
6 from July 2020 to December 2022 and used January 2023 through March 2023 “out  
7 of sample data to adjust and finalize the best specifications for the time series model.”

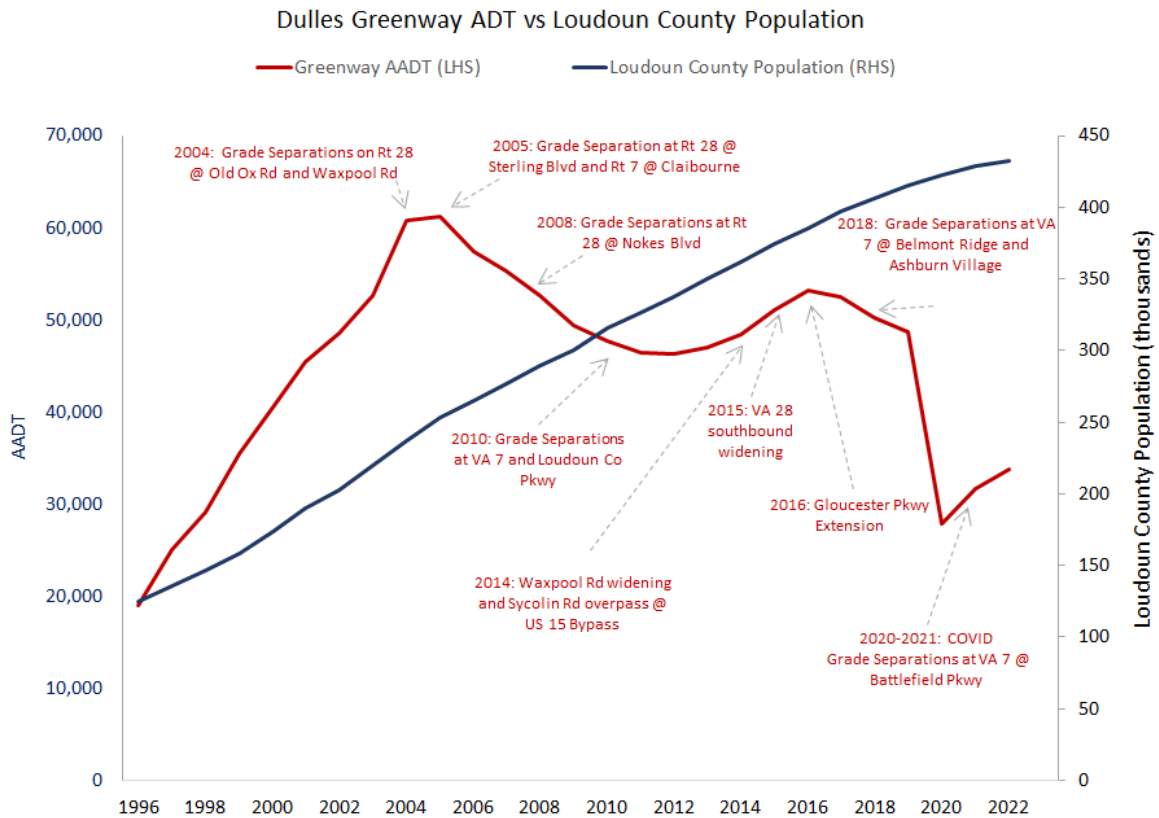


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9 **II. Improvements to Alternative Routes and Investment in the Greenway**

10 **Q. What are the alternative routes to the Greenway and how do they impact**  
11 **Greenway ridership?**

12 A. The primary alternative route for a full-length trip on the Greenway is VA Route 7  
13 (“Route 7”) and VA Route 28 (“Route 28”). Evergreen Mills Road also provides an  
14 alternative to the Greenway for trips to and from the Stone Ridge/South Riding/  
15 Chantilly area, connecting US Route 15 south of Leesburg to the Loudoun County  
16 Parkway. For less than full length trips between Ashburn/Brambleton and Dulles,

1 Waxpool Road, Loudoun County Parkway, Old Ox Road, and Gloucester Parkway to  
2 Route 28 provide alternatives to the Greenway.  
3 Observed historical traffic on the Greenway shows that improvements on the  
4 alternative routes reduces traffic on the Greenway, as the differences in travel time  
5 savings between the Greenway and the competing routes are reduced based on the  
6 improved conditions and less congestion on the competing routes. In particular,  
7 Route 7 and Route 28 have been converted from arterial roadways with numerous at-  
8 grade signalized intersections to six-lane limited access highways, providing  
9 uninterrupted travel between Leesburg and the Dulles airport and surrounding areas.  
10 The impact of the removal of the last signals on Route 7 and Route 28 at Battlefield  
11 Parkway and Cardinal Park Dr in 2021 further erodes the travel time benefits of the  
12 Greenway.



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2 **Q. How do travel times on these alternate routes compare to the Greenway?**

3 A. TRIP II collects TomTom travel time for the Greenway and Route 7 and Route 28.

4 This data is collected daily at 10 minute increments to provide an understanding of the

5 Greenway's performance. In 2023, through April, the average peak period travel time

6 savings on weekdays was about 4.3 minutes in the morning eastbound peak hour and

7 7 minutes in the westbound afternoon peak hour. These averages represent savings on

8 the Greenway of between 25% and 40% of the time it takes to travel Route 7 and 28

9 in the off-peak period. Averages, however, do not account for the variance in travel

10 times, with weekly maximum travel times over two times the average travel time

11 savings. The 7-minute travel time savings on the Greenway during the westbound

12 PM peak period is 50% of the time it takes to travel the length of the Greenway. The

13 4-minute off-peak travel time savings highlight that even in the off-peak period it

1 takes 25% longer to travel using Route 7 and Route 28 than it takes to travel the  
2 Greenway.

3 The conversions of at-grade intersections to interchanges along Route 7 that have  
4 been undertaken over the last decade have changed the character of the road between  
5 Leesburg and Sterling from a signalized principal arterial road to a limited access  
6 principal arterial roadway.

7 These grade separation and arterial improvement projects have cost VDOT, Loudoun  
8 County, and taxpayers more than \$1 billion.

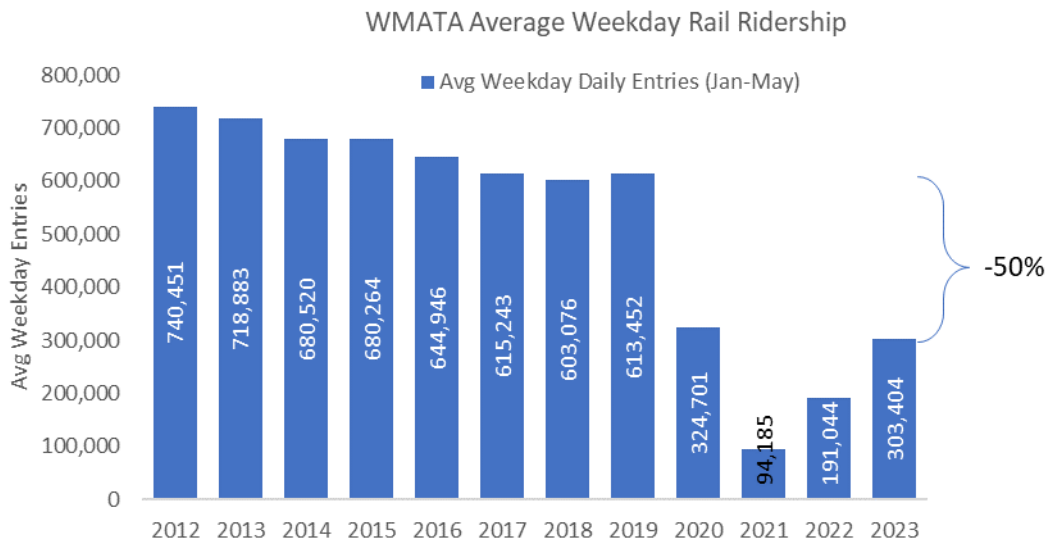
9 **Q. Are there travel time savings for shorter distance trips on the Greenway?**

10 A. Yes. While the travel time savings on full-length trips are significant, the travel time  
11 savings offered by the Greenway for shorter distance trips are potentially more  
12 important. While trips from Leesburg to the mainline toll plaza represent  
13 approximately 30% of all trips, the other 70% of Greenway trips are shorter trips  
14 generally to and from the Ashburn area. The travel time benefits of the Greenway  
15 compete against Waxpool Road, Gloucester Parkway, and other arterials in Ashburn.  
16 During peak hours this travel time savings from the DTR just east of the Route 28/  
17 Greenway interchange to the intersection of Belmont Ridge Rd (Rt. 659) and Ashburn  
18 Farm Pkwy (Rt. 625) can be 6 minutes (8 minutes on the Greenway versus 14 minutes  
19 on the free alternative).

20 **Q. Does the new Silver Line MetroRail create another alternative to the Greenway?**

21 A. Yes. Phase II of the WMATA Silver Line also provides a viable alternative to the  
22 Greenway for individuals who chose to use public transit. The last two stations on the

1 Silver Line are located in the median of the Greenway,<sup>4</sup> near Mooreview Parkway and  
2 Old Ox Road. The reduced public transit ridership since the COVID-19 pandemic has  
3 to this point resulted in limited impact to Greenway traffic. The Metropolitan  
4 Washington Council of Governments (“MWCOCG”) stopped updating the COVID-19  
5 Daily Traffic reports in January 2023, but at that point rail transit patronage was down  
6 46%. Ridership through 31 May in 2023 compared to the same period in 2019, with  
7 the inclusion of the Silver Line Phase II stations which opened in November 2022 is  
8 down over 50%.<sup>5</sup>



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10 **Q. What investments has TRIP II made in the Greenway and the surrounding road**  
11 **network to provide benefits to drivers of the Greenway?**

12 A. Over the past few years, TRIP II has invested more than \$20 million in significant  
13 improvements to the east and west ends of the Greenway to improve the flow and

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<sup>4</sup> Under the Comprehensive Agreement with VDOT, TRIP II was obligated to dedicate the median of the Greenway for rail service without collecting rent or other user charge.

<sup>5</sup> Washington Metropolitan Area Transit Authority, Ridership Data Portal, <https://www.wmata.com/initiatives/ridership-portal/>.



1 safety of traffic from the Greenway to the Dulles Toll Road, Leesburg local roads, and  
2 the Leesburg Bypass.

3 At the eastern end of the Greenway, TRIP II expanded the eastbound overpass from  
4 the Greenway to the Dulles Toll Road from two to three lanes to accommodate the  
5 morning peak demand. The additional lane, which was substantially completed in  
6 January 2021, increased the capacity of this section of the road by 50% and included  
7 an additional inside lane on the Dulles Toll Road to the Centerville Road exit.

8 At the western end of the Greenway, TRIP II undertook multiple projects to improve  
9 the connection between the Greenway and the Leesburg Bypass and traffic flow on  
10 the Leesburg Bypass. Specifically, TRIP II modified the westbound exit to the  
11 Leesburg Bypass and partnered with Loudoun County to improve the Leesburg  
12 Bypass from the Greenway off ramp to US 15 (South King Street) interchange. In  
13 addition, TRIP II opened a new Leesburg Exit at Compass Creek Parkway.

14 In 2020, TRIP II also modified the west end of the Greenway to improve traffic flow.

15 At the western end of the Greenway there are two travel lanes. Previously, the left  
16 lane was the exit ramp for travel west on the Leesburg Bypass and the right lane was  
17 the exit lane for travel on the eastbound Leesburg Bypass. The modification  
18 reconfigured the westbound exit to allow both the right and left lanes to continue  
19 westbound to the Leesburg Bypass. The right lane is a “choice lane” and allows  
20 travelers to merge into either the westbound or eastbound exit. Prior to the change,  
21 westbound Greenway traffic was hampered by the need to merge both the toll paying  
22 Greenway customers and the large number of non-toll paying Greenway users – who  
23 enter the Greenway through the free Battlefield Parkway interchange – into the single  
24 left lane to exiting onto the westbound Leesburg Bypass. Since the conversion of the

1 intersection of Leesburg Bypass at Sycolin Rd to an overpass in 2013, the number of  
2 westbound peak (4PM-7PM) non-toll paying Greenway users from Battlefield  
3 Parkway has more than doubled from approximately 530 in 2012 to 1,280 in 2022.  
4 In addition, improvements to the Leesburg Bypass via a 50-50 partnership with  
5 Loudoun County extended the ramp from the Greenway through to the US 15 exit  
6 (North King Street). Previously the westbound exit ramp from the Greenway served  
7 as an auxiliary lane (third lane) that became the northbound US 15 off-ramp. The  
8 new configuration continues the auxiliary lane another 1,000 feet over the US 15  
9 overpass, where the lane ends as the southbound US 15 ramp. This additional  
10 capacity allows for more merging distance for all traffic through this section,  
11 improving traffic flows and safety and allows better movement for traffic exiting the  
12 Greenway The project included the construction of new retaining walls and a full  
13 reconstruction of the exit ramp from westbound Leesburg Bypass to northbound King  
14 St. The interchange improvements were required to reduce congestion on the  
15 Greenway inadvertently caused by the public upgrade of the Sycolin Road overpass  
16 over the Leesburg Bypass in 2014.  
17 The westbound Compass Creek Parkway exit opened in May 2019, serving the new  
18 550-acre Compass Creek development south of Leesburg. The new exit helps  
19 distribute Greenway customers to destinations around Leesburg and Central and  
20 Western Loudoun County.

1 **III. Proposed Tolls**

2 **Q. Company witness Hamilton supports the tolls that the Company proposes for**  
3 **approval in this proceeding. Do these tolls include increases to both the peak**  
4 **and off-peak tolls?**

5 A. Yes. TRIP II's Proposed Tolls increase the current differential between peak and off-  
6 peak tolls on the Greenway that have been in place since the Commission denied an  
7 increase in peak tolls in Case No. PUR-2019-00218. In Case No. PUE-2003-00230,  
8 the Commission approved a toll increase and congestion management pricing, which  
9 allowed for differential pricing during peak and off-peak periods, with the peak price  
10 initially calculated at a 20% premium to the base toll rate. This congestion  
11 management premium has been in the 20% range from 2009 to 2021, when the  
12 Commission applied its discretion to allow only off-peak toll increases in 2021 and  
13 2022, reducing the congestion pricing ratio to 10%. The Proposed Tolls of \$6.40 and  
14 \$8.10 for the congestion management premium were calculated to remain close to the  
15 historical congestion management level and still provide value to customers while  
16 allowing TRIP II an opportunity to generate sufficient revenue to meet its financial  
17 obligations. The Greenway provides benefits to various market segments at all times  
18 of the day, but provides the most obvious benefit during peak times as supported by  
19 Company witness Cuneo.

1 **Q. Why does the Company propose to increase the differential between its peak and**  
2 **off-peak tolls?**

3 A. As the Commission noted in 2007, congestion pricing can reduce overcrowding on  
4 the Greenway during peak use hours.<sup>6</sup> An increase to TRIP II's peak tolls is  
5 appropriate because as traffic continues to recover to a stable position and the corridor  
6 continues to experience natural economic growth, the congestion management  
7 differential will help ensure that Greenway customers are provided uncongested roads  
8 and reliable travel times when using the Greenway. This is consistent with VDOT  
9 goals and objectives regarding the growth and development of the express lanes  
10 network in Northern Virginia over the past 15 years. These facilities have dynamic  
11 tolls to ensure customers experience uncongested travel. Higher tolls in the peak  
12 period also encourage travelers to use less congested off-peak periods where  
13 appropriate for their needs, improving the driving conditions for all drivers.

14 **Q. Have TRIP II's tolls kept up with inflation?**

15 A. No, TRIP II's tolls have not kept pace with inflation. Both peak and off-peak tolls  
16 require significant increases of 20% and 9% respectively for 2024 just to keep pace  
17 with inflation since their last respective increases in 2019 and 2022. In the prior rate  
18 case submitted in December 2019, TRIP II asked for peak and off-peak increases as  
19 shown in the table below.

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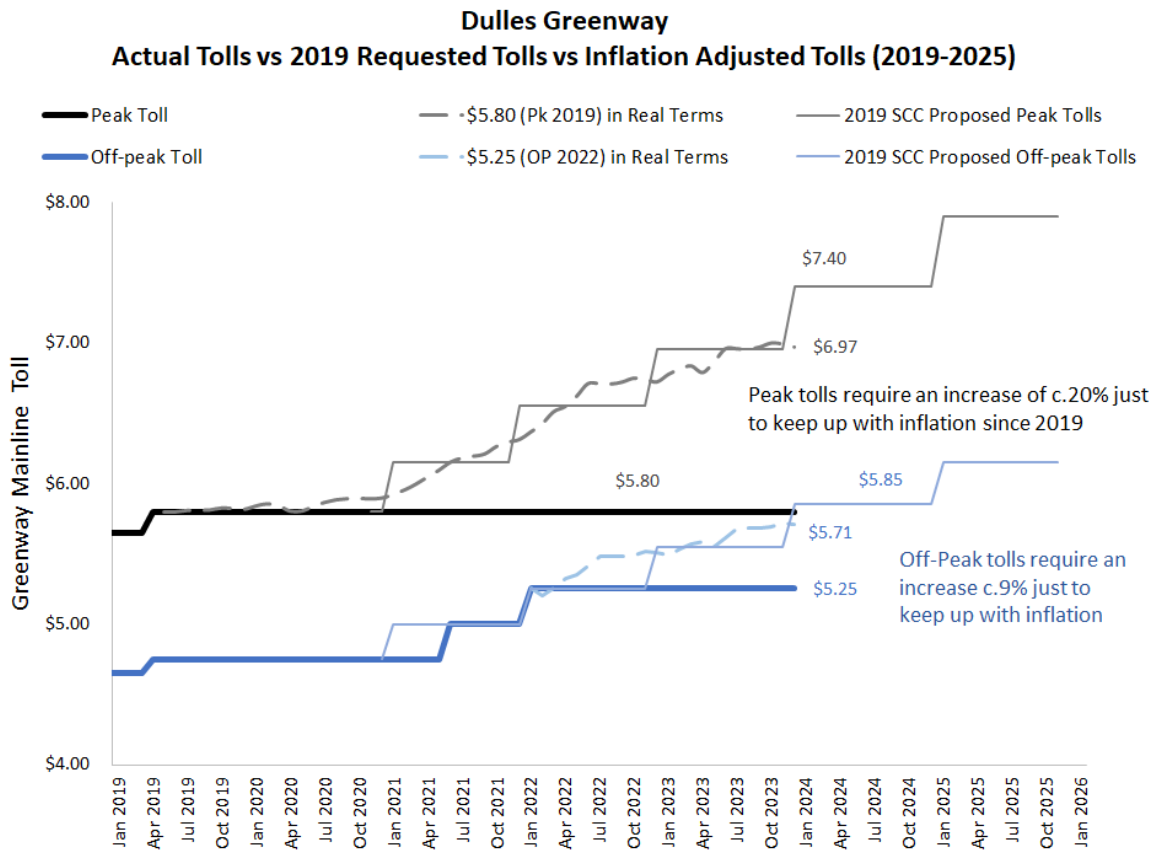
<sup>6</sup> *Application of Toll Road Investors Partnership II, L.P.*, Case No. PUE-2006-00081, 2007 S.C.C. Ann. Rept., Final Order at 6 (Sept. 11, 2007).

	1-Jan-21	1-Jan-22	1-Jan-23	1-Jan-24	1-Jan-25
Maximum 2-axle off-peak toll	\$ 5.00	\$ 5.25	\$ 5.55	\$ 5.85	\$ 6.15
Implied year-on-year % increase	5.3%	5.0%	5.7%	5.4%	5.1%
Maximum 2-axle peak toll	\$ 6.15	\$ 6.55	\$ 6.95	\$ 7.40	\$ 7.90
Implied year-on-year % increase	6.0%	6.5%	6.1%	6.5%	6.8%

1           These toll increases would have effectively provided flat real tolls since 2019. The  
 2           fact that TRIP II has not had an increase in peak tolls and only limited increases in  
 3           off-peak tolls has resulted in a substantial decline in real tolls as inflation increased in  
 4           2021, and which remains high by historical standards.

5           The chart below demonstrates the tolls requested in 2019 would have essentially  
 6           allowed tolls to move in step with the increases in CPI since that time.

7           The gap between current nominal tolls and tolls adjusted to compensate for inflation  
 8           by the end of 2023 is around 20% for peak tolls (\$5.80 vs \$6.97) and 9% for off-peak  
 9           tolls (\$5.25 vs \$5.71).



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**Q. How do the Proposed Tolls for 2024 compare with those requested for 2024 in TRIP II’s 2019 Application?**

A. TRIP II’s current maximum toll request for peak and off-peak rates are slightly lower than those requested in 2019 after adjusting them for actual inflation since 2020. Consequently, the real toll increases we are seeking are also slightly lower than those requested in 2019.

The first table below illustrates the annual toll increases that were requested in 2019, broken down into their percentages for inflation and real toll increases for the period 2021 to 2024. The real annual toll increases sought ranged from 3.9% to 4.4% for the peak tolls over the Fed’s 2.0% annual inflation target, and between 2.9% and 3.6% for

1 the off-peak tolls. Tolls requested for 2024 were \$7.40 for peak and \$5.85 for off-  
 2 peak.

	2020	2021	2022	2023	2024
<b>Peak Tolls (2-axle)</b>					
<b>Toll</b>	<b>\$5.80</b>	<b>\$6.15</b>	<b>\$6.55</b>	<b>\$6.95</b>	<b>\$7.40</b>
increase		6.03%	6.50%	6.11%	6.47%
Fed Inflation Target		2.00%	2.00%	2.00%	2.00%
Real		3.96%	4.42%	4.03%	4.39%
<b>Off-Peak Tolls (2-axle)</b>					
<b>Toll</b>	<b>\$4.75</b>	<b>\$5.00</b>	<b>\$5.25</b>	<b>\$5.55</b>	<b>\$5.85</b>
increase		5.26%	5.00%	5.71%	5.41%
Fed Inflation Target		2.00%	2.00%	2.00%	2.00%
Real		3.20%	2.94%	3.64%	3.34%

3  
 4 The second table below updates the toll schedule to show what the tolls would have  
 5 been if adjusted for actual inflation experienced during and since the pandemic as  
 6 reported by the US Bureau of Labor Statistics. Using actual and forecast inflation, the  
 7 peak toll increases to \$8.22 in 2024 (compared to our current request of \$8.10), and  
 8 the off-peak toll increases to \$6.50 (compared to our current off-peak request of  
 9 \$6.40). Hence, our requested tolls are slightly lower than those the Commission  
 10 found were supported by the record in our 2019 Application, when adjusted for actual  
 11 inflation.

	2020	2021	2022	2023	2024
<b>Peak Tolls (2-axle)</b>					
<b>Toll</b>	<b>\$5.80</b>	<b>\$6.45</b>	<b>\$7.17</b>	<b>\$7.69</b>	<b>\$8.22</b>
increase		11.21%	11.16%	7.25%	6.89%
inflation (real/forecast)		7.04%	6.45%	3.10%	2.40%
Real		3.96%	4.42%	4.03%	4.39%
<b>Off-Peak Tolls (2-axle)</b>					
<b>Toll</b>	<b>\$4.75</b>	<b>\$5.25</b>	<b>\$5.75</b>	<b>\$6.14</b>	<b>\$6.50</b>
increase		10.53%	9.52%	6.78%	5.86%
inflation (real/forecast)		7.04%	6.45%	3.10%	2.40%
Real		3.20%	2.94%	3.64%	3.34%

12

1 **Q. Company witness Cuneo sponsors the Company's calculation of material**  
2 **discouragement. Can you explain why this approach is the most appropriate**  
3 **way to calculate material discouragement in this proceeding?**

4 A. The Company's proposed method compares the forecasted traffic in 2024 against  
5 known, actual traffic information from the Greenway and appropriately captures the  
6 traffic growth that has occurred on the Greenway since the last toll increase.

7 Company witness Cuneo explains that because of the practical considerations around  
8 timing between toll rate submissions and increases caused by the amendments to the  
9 Act, along with the traffic growth and limited toll increases that have occurred on the  
10 Greenway in recent years, it was determined that the most appropriate method to  
11 measure material discouragement as defined by the Act was to compare Steer's  
12 forecast of 2024 AADT to the actual AADT for calendar year 2022, which was the  
13 last year TRIP II implemented a toll increase. This allowed the Steer Model to  
14 properly consider the impacts of additional factors to assess the impact of the  
15 Proposed Tolls on the changes in the Greenway's traffic levels.

16 **Q. Has the Company prepared an alternative way to calculate material**  
17 **discouragement?**

18 A. Yes. Although the Company submits that the calculation of material discouragement  
19 presented by Company witness Cuneo is fully in line with the Act's definition, the  
20 Company has prepared an alternative calculation to illustrate how another manner of  
21 calculating material discouragement would impact potential tolls on the Greenway.  
22 Specifically, the Company has prepared a calculation of material discouragement that  
23 is equivalent to the implied elasticity measure that was presented in prior analyses of  
24 TRIP II's tolls. This alternative method would use the results of the travel demand



1 model presented in Steer's Report to determine the forecasted traffic in 2024 without  
2 a toll increase<sup>7</sup> and compare it to the traffic forecasted by the model in 2024 with the  
3 toll increases in place.

4 **Q. Does the Company support the alternative way to calculate material**  
5 **discouragement?**

6 A. No, the Company does not support adoption of the alternative way to calculate  
7 material discouragement in this proceeding because TRIP II's tolls have not increased  
8 in multiple years and there has been a period of sustained traffic growth since tolls  
9 were last increased. The alternate method compares two forecasts of traffic, which  
10 reduces the reliability of the analysis given the changes that have occurred in recent  
11 years. It also severely limits the toll increases that could be approved in this  
12 proceeding, which are insufficient to allow TRIP II to meet its financial obligations as  
13 discussed by Company witness Hamilton.

14 **Q. Does this conclude your direct testimony?**

15 A. Yes.

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<sup>7</sup> In this analysis, the no toll change baseline assumes a flat nominal toll rate structure, which implies a real toll decrease from the prior year based on continuing inflation.