BEFORE THE

GEORGIA PUBLIC SERVICE COMMISSION

In Re:	]	
	]	Docket No. 44280
Georgia Power Company's	]	
Storm Damage Recovery Application	]	

DIRECT TESTIMONY OF

DANIEL HECHT, P.E.

ON BEHALF OF

THE METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY

April 17, 2026

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME, TITLE, BUSINESS ADDRESS, AND THE NATURE OF YOUR TESTIMONY.

A. My name is Daniel Hecht and I am the Deputy Chief Mechanical Officer for the Metropolitan Atlanta Rapid Transit Authority (MARTA). My business address is 2424 Piedmont Road, Atlanta, Georgia 30324. I am appearing on behalf of MARTA today to express the Authority's concern with the cost of electricity for rail propulsion service and to update the Commission on our work to improve rider service, expand public transportation, renovate existing facilities, and electrify MARTA's fleet and service vehicles as well as provide electric vehicle charging infrastructure for our employees and customers.

Q. BRIEFLY DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL QUALIFICATIONS.

A. I graduated with a Bachelor of Science degree in Mechanical Engineering from the University of Missouri and received a Master of Science in Transportation Management from San Jose State University. I am a registered Professional Engineer in both Georgia and California. For the past 16 years I have worked in the public transportation field. Since joining MARTA I have served as Deputy Chief of Rail Operations and my current position. As Deputy Chief Mechanical Officer I manage operations and maintenance activities for MARTA's rail and bus services, have responsibility for department budgets totaling over $200 million, and manage a department with approximately 1,100 employees. Under my management of bus and rail operations MARTA won the 2024 the American Public Transportation Association's designation as Outstanding Transit System of the Year.

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION.

A. No. This is my first experience as a witness in any proceeding with the Georgia Public Service Commission.

Q. WHAT ARE YOUR DUTIES FOR MARTA?

A. I oversee MARTA's maintenance, rehabilitation, and improvement programs for critical infrastructure and rolling stock related to MARTA operations. In short, my department manages and maintains MARTA's "stuff" that keeps people moving. My department manages five offices; Bus Maintenance, Railcar Maintenance, Facilities, Vertical Transportation, and Maintenance of Way. Combined, these five offices comprise the equipment, facilities, and vehicles that make MARTA move. Beyond routine preventative maintenance an repair of MARTA infrastructure and vehicles, these offices are tasked with rehabilitation and improvement programs. Rehabilitation and improvement programs include fleet replacement, vehicle procurement, overhaul programs, facility improvements, repair and replacement of shop and facility equipment (such as air conditioning equipment, lifts, repair equipment, roofing, etc.), improvements to stations (such as gates, doors, lighting, painting, paving, and architectural details), and replacement and rehabilitation of all right-of-way equipment, including the tracks, power equipment, and train signaling systems.

Q. WHAT HAVE YOU DONE TO PREPARE YOUR TESTIMONY IN THIS MATTER?

A. In addition to relying on my personal experience and knowledge of MARTA's electrical power costs and operations, including its history and benefits to the region, I have reviewed MARTA's electrical power usage and requirements as well as the current rate structure of MARTA's accounts with Georgia Power Company. I also consulted

colleagues regarding MARTA's history and dealings with Georgia Power, reviewed select Georgia Power filings in this docket, and their panel's direct testimony in this case. I have discussed these issues with my MARTA colleagues and our attorneys and consultants to arrive at the conclusions and recommendations presented in my testimony.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to support MARTA's request not to increase the Electrical Transportation rate and to increase our access to marginal cost power purchases.

In previous rate proceedings, Georgia Power Company and this Commission have recognized MARTA's value and importance in helping to make the Atlanta region one of the best places to do business. MARTA continues to be a driver in economic growth in the Metro Atlanta area and State. With the growth that has occurred and continues, there is strong demand for office and residential properties within a half mile of MARTA's rail stations. For example, MARTA's transit-oriented development (TOD) projects have resulted in the development of approximately 1,919 multi-family units, 379,300 square feet of retail space, roughly 2.8 million square feet of new offices, and there are more being developed and planned for development over the next decade.

MARTA's services and operations continue to attract companies locating and relocating to the Metropolitan Atlanta area. MARTA's value and importance as an economic development partner is far more important to Georgia Power, metropolitan Atlanta, and the State of Georgia than as a ratepayer. MARTA's ability to execute its capital improvement campaign is critical to the future growth of the greater Atlanta region. Reliable, affordable, and efficient public transportation is necessary to the continued development of Atlanta and Georgia.

Microsoft, Mercedes-Benz, State Farm, and NCR are just a few of the major businesses which have deliberately located their corporate offices near MARTA stations to take advantage of public transportation for their employees. When State Farm Insurance moved its headquarters, with over 2 million square feet of office space, from Johns Creek to Dunwoody Station, they also built a platform extension and a new entrance to the MARTA station to make riding public transit convenient for their employees. Atlanta's bid for Amazon's HQ2 advanced through Amazon's site selection process because there were 10 potential office sites near MARTA rail stations. Microsoft's recent decision to develop a 90-acre campus on the Westside of Atlanta was due in part to the proximity of the Bankhead Rail Station.

II. THE MARTA PUBLIC TRANSIT SYSTEM AND ITS OPERATION

Q. PLEASE DESCRIBE THE GENERAL AUTHORITY OF MARTA.

A. MARTA is a public authority established by an act of the Georgia General Assembly in 1965, and approved by subsequent voter referenda, for the purpose of acquiring, planning, designing, building, maintaining, and operating a public rapid transit system in the City of Atlanta and Fulton, DeKalb, and Clayton Counties. In 1972 MARTA acquired the Atlanta Transit System, Inc., and took over the operation of bus service in Fulton and DeKalb Counties and the City of Atlanta. In June 1979 MARTA initiated rapid rail service powered by electricity supplied by Georgia Power Company.

Q. DESCRIBE THE GENERAL FEATURES OF MARTA'S RAPID RAIL SYSTEM.

A. MARTA's rapid rail system consists of over one hundred twenty (120) miles of electrified rail tracks in a dedicated right-of-way providing forty-eight (48) miles of total rail service connected to thirty-eight (38) rail stations. The Authority owns a fleet of three hundred thirty-eight (338) rail cars powered by alternating current (AC) electrical

power. All rail cars are equipped with regenerative braking systems which produce power from stopping when the propulsion motors operate as generators sending electric power to adjacent trains fed from the third rail system.

Q. HOW DOES MARTA COMPARE TO OTHER HEAVY RAIL TRANSIT PROVIDERS IN THE UNITED STATES?

A. MARTA serves approximately 2.2 million residents of metropolitan Atlanta living within our service area and is the eighth largest public transit system in the United States providing bus, rail, and mobility services.

Q. EXPLAIN THE BENEFITS MARTA PROVIDES TO THE METROPOLITAN ATLANTA REGION AND THE STATE OF GEORGIA.

A. The immediate transportation benefits include providing bus, light rail, mobility, and rapid rail transit service to nearly a half million passengers traveling each weekday prior to the Covid-19 pandemic, and just under 300,000 and steadily growing as we continue to recover from the pandemic. This includes connecting bus and rail service for passengers entering the service area via bus service provided by MARTA's regional partners; CobbLinc, Gwinnett County Transit, and Xpress. This connection service provides access to employment, services, and opportunities for the transit-dependent, mobility for the disabled, convenience for visitors, and special events patrons which reduce traffic congestion and pollution for all residents of the region.

MARTA is also a driver of economic development in the Atlanta metro-area and region. MARTA helps attract new businesses and other development to its service area. Many companies want to locate their facilities and offices near transit, and particularly heavy rail, to reduce employee carbon emissions, lower transportation costs, reduce commuting stress and enjoy the benefit and convenience of a direct connection to Hartsfield-Jackson International Airport. Young professional and younger generations,

in general, tend to embrace public transportation with many preferring to live and work in adjacent communities with reliable, efficient, and affordable public transportation service.

Transit Oriented Development (TOD) on MARTA properties has proved very successful, both in terms of both attracting businesses near the TODs and increasing residential development nearby. Residential developments at Avondale, Edgewood/Candler Park, King Memorial, and Chamblee stations are prime examples of areas with major residential developments on ground leases with the Authority. The City of Brookhaven built its new city hall at Brookhaven Station. Transit oriented development is also advancing at MARTA's Arts Center, North Avenue, and Bankhead stations. MARTA's transit-oriented development includes:

- TOD built to date: 1,919 multifamily units, 379,300 square feet of retail space, and approximately 2.8 million square feet of office space.
- TOD in negotiation/predevelopment: 1,045 multifamily units, 10,000 square feet of retail space, and 475,000 square feet of office space are in negotiation and predevelopment phases.
- TOD in procurement: includes 1,395 multifamily units and 1.5 million square feet of office space.
- TOD in planning: 6,700 multifamily units and 70,000 square feet of retail space are being planned.

In total all this TOD-related development equates to an approximately 9,140 multifamily units, 80,000 square feet of retail space, and 2 million square feet of new office space to be developed over the next fifteen years at an estimated cost of $4.75

billion. Potential economic development is even greater as MARTA's other land holdings are being evaluated for additional development.

Q. WHAT ARE SOME OF THE MAJOR CAPITAL PROJECTS THE AUTHORITY HAS RECENTLY PURCHASED OR IS DEVELOPING?

A. MARTA plans to spend more than $3 billion on capital projects through its Capital Improvement Program. The current ten-year budget includes $715 million in More MARTA spending within the City of Atlanta, including $200 million to renovate and transform the Five Points Station. MARTA's largest capital projects that directly affect rider experience and operational reliability include $700 million for railcar procurement, $500 million for the Communication Based Train Control signaling project, $200+ million in new bus procurement over the next 10 years, $300+ million for the new comprehensive transit fare system, and others. Related to electrical usage at MARTA, we have extensive power distribution equipment that directly connects to Georgia Power substations, and these Traction Power Substations and Auxiliary Power rooms require maintenance and upgrades. MARTA is investing over $110 million in the first two waves of Traction Power equipment upgrades, along with nearly $40 million in the first wave of auxiliary power upgrades. An estimated $400 million will be spent on the next set of traction power upgrades, and an estimated $250 million will be spent on the next set of auxiliary power upgrades.

Q. DESCRIBE MARTA'S RELIANCE ON GEORGIA POWER COMPANY IN ITS OPERATION OF THE RAPID TRANSIT SYSTEM AND NEW ELECTRIC BUSES.

A. The rapid rail and light rail (streetcar) systems are powered by electricity provided by Georgia Power Company. During the design and construction of the heavy rail system the Authority contracted with Georgia Power for the construction of electrical distribution facilities to serve the heavy rail system, including redundant

power distribution for resiliency. During the construction of the heavy rail system, MARTA funded the construction of over 50 substations for traction and station power, cabling, and electrical duct banks, along with more than 85 auxiliary power equipment rooms at our stations and facilities. This system delivers electrical power for use by rail vehicles and essential station loads, such as lighting, faregates, ticketing machines, elevators, escalators, equipment, and station audio-visual information systems.

In 2022 MARTA placed its first six zero-emission electric buses in service. MARTA was awarded a $3.85 million by the U.S. Senate and a $19.3 million Federal Transit Administration Low and No Emission Bus grant to further advance the fleet transition to electric power. Further, all future Bus Rapid Transit projects are expected to utilize electric buses.

Q. HOW DOES GEORGIA POWER COMPANY PARTICIPATE IN THE CONSTRUCTION, MAINTENANCE, AND IMPROVEMENT OF THE ELECTRICAL TRANSMISSION SYSTEM FOR MARTA'S RAPID RAIL SYSTEM?

A. Georgia Power Company is a MARTA contractor for work required for the construction, maintenance, and improvement of the electrical transmission system for the rapid rail system. Contracts and job orders are negotiated between the Company and MARTA for the performance of specified maintenance or improvements to the electrical transmission system service. Georgia Power is paid under our purchasing and procurement program through MARTA's operating and capital budgets, as applicable for each project in addition to all sums paid to the Company for electrical consumption. MARTA budgeted over $12 million in propulsion and electricity usage alone in Fiscal Year 2026. Since the inception of the MARTA rail system, MARTA has invested over $500 million in capital funds for the construction, maintenance, and improvement of the electrical transmission system. This does not include any TOD projects or major

expansion projects outlined in the Atlanta More MARTA Plan and Clayton County Plan, which will bring new high-capacity transit, new maintenance depots, new stations and additional vehicles to the Atlanta region and increase MARTA's electrical load.

Q. PLEASE DESCRIBE MARTA'S BASIC FINANCIAL STRUCTURE AND HOW IS MARTA'S OPERATION BUDGET FUNDED?

A. As a public authority, the funding sources for operation of MARTA's system consist of; (1) the proceeds of a one percent sales and use tax levied in Fulton, DeKalb, and Clayton Counties and a 1.5 percent sales tax from the City of Atlanta, (2) fare box revenues collected from passengers, (3) leases of property, including long term ground leases for TOD projects, (4) federal formula funds for preventive maintenance, (5) automobile ad valorem taxes from Fulton, DeKalb, and Clayton Counties, and (6) other revenues derived from activities, such as advertising on buses, rail cars, rail stations and bus shelters, and short term leases of surplus property.

Q. HOW IS THE AUTHORITY'S CAPITAL BUDGET FUNDED?

A. The funding source for capital improvements and expansion of the MARTA transit system consists of; (1) the proceeds of the one percent sales and use tax from Fulton, DeKalb, and Clayton Counties and the 1.5 percent sales tax from the City of Atlanta, and (2) federal and state grant funds. MARTA does not receive state funds on a regular basis.

Q. AS A PUBLIC AUTHORITY, DOES MARTA RECEIVE ANY BUDGET BENEFITS FROM ITS PAYMENTS TO GEORGIA POWER?

A. No. As a public authority, MARTA does not pay taxes and does not return a profit. Therefore, MARTA's payments to Georgia Power for electrical service is borne completely by its operating budget, without any offset for tax deductions. When electrical power costs increase, a corresponding increase must occur in operating

revenue to pay for higher electrical costs, or offsetting costs must be reduced to continue offering the same level of service. Since the sales tax is fixed by state law, the only options for dealing with increased electrical costs are to increase passenger fares or reduce operating expenses.

Q. PRIOR TO THE COVID-19 PANDEMIC WHAT DID MARTA DO TO REDUCE ITS COSTS AND IMPROVE ITS FINANCES?

A. Prior to the Covid-19 Pandemic, MARTA implemented measures to prepare for the demands of the future while maintaining and improving quality services. MARTA began implementing prudent and aggressive cost-cutting measures, efficiency innovations and new revenue generation opportunities to improve service delivery to its customers and avoid a fare increase. MARTA's pre-pandemic cost reductions were made to improve existing transit services while positioning itself for future investment and expansion. One of MARTA's major strategic priorities was to achieve financial viability and stability. To this end we have engaged in cost reduction measures, including staff reductions, outsourcing, and asking all business partners to assist MARTA by holding down costs. In 2022 Fitch upgraded MARTA's credit rating to AA based on MARTA's having demonstrated sustained maintenance of liquidity and financial resilience.

Q. WHAT HAS MARTA DONE OVER THE YEARS TO REDUCE ITS ELECTRICAL COSTS, OTHER THAN REDUCE SERVICE?

A. After the 2007 Georgia Power rate case, a small part of MARTA's electrical power usage was purchased under marginal or real-time pricing (RTP) to realize cost saving were possible. At the conclusion of the 2013 rate case MARTA moved 40% of its rail propulsion load to marginal pricing. However, as the scale of operations changed this needed to be adjusted. The rail system must provide service during scheduled operating

times and therefore had greater demand for electric power during the weekday morning and afternoon rush hours when passenger demand peaks. Since 2021, MARTA has increased service levels with a 35% increase in rail revenue miles, matching our service levels with increased ridership and changing both our bus and rail schedules to better align with service demand. MARTA developed new system operations to reduce electrical use in peak times through sophisticated speed controls and other methods. We successfully demonstrated this to Georgia Power's satisfaction and was able to lower the customer base load (CBL) for propulsion service under the ET tariff. Other changes included renovation of MARTA's office headquarters HVAC system and replacement of station lighting with more energy efficient LED fixtures.

Additionally, our new CQ400 series railcars that are going into service this year include advanced electronic propulsion systems that provide smoother acceleration and braking and operate more efficiently than our legacy fleet. This is done through a combination of reduced traction motors on the trainsets and computer-controlled utilization of power during operation.

Q. HAS MARTA DEVELOPED OTHER INITIATIVES FOR RENEWABLE ENERGY GENERATION AND ALTERNATIVE ENERGY CONSUMPTION?

A. Yes. Since 2011 MARTA has operated a solar power canopy array at the Laredo Bus Facility in DeKalb County which has offset a portion of the Laredo facility's electric consumption. Also, MARTA has upgraded lighting fixtures at all rail stations, maintenance and office facilities to LED and replaced HVAC and chillers resulting in 14% energy use reduction since 2012.

There are several things we are doing or planning that will assist the Georgia Power system:

- As previously mentioned, MARTA ordered and has partially received $700 million of new and more energy efficient rail cars.
- Natural gas-driven compressors have been replaced with large electric motors for refueling our natural gas-powered buses. The electric compressors operate at night when the buses return to the refueling stations. This increased load factor during off-peak hours makes the system more efficient.
- MARTA utilizes some regenerative braking in the railcars to efficiently brake the vehicles, which reduces energy use and helps stabilize the rail utility system as multiple trains are operating on the alignment.
- We have invested $150 million in an advanced centralized train control and SCADA system which helps stabilize service levels, reduces delays and stopped railcars, and can assist in reducing power use during peak periods of operation.
- MARTA's electric bus fleet consists of 20 battery electric vehicles that are primarily used on local bus routes and planned for use on our Bus Rapid Transit system, starting with the Summerhill Rapid A Line.
- MARTA continues to work with Georgia Power on deployment of Electric Vehicle (EV) charging facilities at station and parking facilities.

III. SUMMARY AND CONCLUSION

Q. WHAT IS MARTA ASKING THE PUBLIC SERVICE COMMISSION TO CONSIDER IN THIS RATE CASE PROCEEDING REGARDING STORM DAMAGE COST RECOVERY?

A. MARTA is at a major point in its history where we are simultaneously updating and renovating our entire transit system, including a complete redesign of our bus network, renovating stations, installing a new fare collection system, and completely replacing all our rail cars. These are not discretionary projects but are necessary due to the age of existing facilities and equipment. The cumulative cost for this system renovation and upgrade is approximately $3 billion. Georgia Power Company has been an important and valued business partner throughout MARTA's history from inception to the present day and we understand Georgia Power Company is seeking an increase in all base rates to offset the cumulative accrual of storm damage costs it has incurred over several years and several storms. MARTA wishes to pay its share of the storm damage costs but no more than is justified.

The financial demands on MARTA are exacerbated by the scheduling pressure we are operating under created by the upcoming 2026 FIFA World Cup matches coming to Atlanta this Summer. All available financial resources are committed and needed to complete all the work necessary to provide excellent service not just for the tens of thousands of FIFA fans visiting Atlanta, but also for the core and repeat riders that depend on MARTA for their daily transportation needs.

Q. DOES THIS COMPLETE YOUR TESTIMONY?

A. Yes, and thank you for considering the challenges confronting MARTA today and in the future.

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IN RE:	]	
	]	
GEORGIA POWER COMPANY'S 2022	]	Docket No. 44280
RATE CASE: STORM DAMAGE RECOVERY	]	
RECOVERY APPLICATION	]	

CERTIFICATE OF SERVICE

I hereby certify that the foregoing **Direct Testimony of Daniel Hecht, P.E. On Behalf of MARTA** was filed in Docket 44280 with the Georgia Public Service Commission's Executive Secretary by the Commission's Alternative Electronic Filing Procedures. A copy of same was served upon all parties listed below by electronic mail, unless otherwise indicated, and addressed as follows:

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This 17th day of April, 2026.

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