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**BEFORE THE  
SURFACE TRANSPORTATION BOARD**

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**E.I. DUPONT DE NEMOURS & COMPANY** )  
 )  
**Complainant,** )  
 )  
**v.** )  
 )  
**NORFOLK SOUTHERN RAILWAY COMPANY** )  
 )  
**Defendant.** )

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**Docket No. NOR 42125**

**ERRATA TO REPLY EVIDENCE OF  
NORFOLK SOUTHERN RAILWAY COMPANY**

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**Dated: December 12, 2012**

after NS produced complete traffic files,<sup>13</sup> and nearly six months (178 days) after the date on which NS responded to DuPont's last remaining follow-up discovery requests.<sup>14</sup>

Nor did DuPont lack for resources or motivation. DuPont is seeking unprecedented relief on rates in 138 separate traffic lanes. And DuPont—as a Fortune 100 company with annual earnings of over \$3.4 billion—has ample resources to have developed a proper and fully-supported SAC presentation.<sup>15</sup> In short, DuPont knew or should have known the SAC principles that the Board has established, and it had every incentive to prepare a well-supported evidence that conformed with those principles. But it instead presented a blatantly deficient SAC analysis with no real operating plan, numerous unsupportable assumptions, and little efforts to engage with “the underlying realities of real-world railroading.”

The only viable explanation for the deficiencies in DuPont's evidence is that it recognized that it could not prevail with a proper SAC analysis. The simple fact of the matter is that when DuPont's revenue distortions are corrected, when all appropriate operating expenses are accounted for, and when realistic road property investment expenses are assumed, this case is not even close. Even after making repeated conservative assumptions that the SARR would be as efficient as realistically possible, NS's Reply Evidence shows that the costs to construct and operate the DRR would exceed the properly attributable DRR revenues by nearly \$18 billion over the 10-year DCF period. NS's rates have been and are reasonable.

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Railroad Administration and Transportation Security Administration of the appropriate ground rules for SSI production.

<sup>13</sup> As detailed in NS's Reply to DuPont's Second Motion to Modify Procedural Schedule, NS produced complete and corrected traffic files to DuPont on October 5, 2011. *See* NS's Reply to DuPont's Second Motion to Amend Procedural Schedule at 7-9 (filed Dec. 20, 2011).

<sup>14</sup> As DuPont acknowledged in its Second Motion to Amend Procedural Schedule, NS's production to DuPont was complete on November 21, 2011. *See DuPont's Motion to Modify Procedural Schedule* at 7 (Dec. 12, 2011).

<sup>15</sup> *See* DuPont 2011 10-K at 20 (available in NS Reply Workpapers).

receives (in the case of TCS, the NS rail line haul revenue) and does not include the revenues generated and collected by TCS for non-line-haul services, DuPont was comparing apples and oranges. The result of DuPont's comparison of gross intermodal revenue for 2010 with rail line-haul intermodal revenue for 2011 was an apparent negative growth rate of 17.6% for TCS revenues in 2011. This, in turn, results in a significant understatement of 2011 revenues for the TCS traffic selected for the DRR traffic group.

NS has corrected this error by using the TCS and intermodal revenues reported in the revenue waybill data for 2010 and 2011 that it produced to DuPont in discovery, rather than the document DuPont relied upon, which was prepared for different purposes and reports different data. NS determined the revenue per ton for TCS traffic in 2010, used its forecast to determine the projected TCS revenue per ton for 2011, and calculated a growth rate based on the difference between revenue per ton in the two years. *See* NS Reply WP "DRR Traffic Revenue Forecast - REPLY.xlsx."<sup>55</sup> This corrected growth calculation changes TCS revenue per ton in 2011 from the 17.6% *decrease* presented in DuPont's opening evidence to a 4.4% *increase*, thereby substantially increasing revenues for the TCS traffic selected for the DRR. Table III-A-15 reflects this NS correction of DuPont's calculation of 2011 DRR revenues.

**Table III-A-15**  
**2011 Corrected DRR IM Revenues Per Shipment**

	<b>2010</b>	<b>2011</b>	<b>Increase/ Decrease</b>
<b>Opening</b>	\$533	\$439	-17.6%
<b>Reply</b>	430	439	2.1%

<sup>55</sup> For the forecast years after 2011, DuPont developed an accurate projected growth rate for TCS traffic using the NS December 2010 forecast.

rationale for providing identical track lengths at yards with the same number of classification tracks (but very different workloads).<sup>67</sup>

DuPont’s decision to base its yard configuration evidence on figures untethered to actual requirements of the DRR’s traffic produced absurd results. For example, DuPont’s “yard matrix” assigns identical classification facilities (ten classification tracks with lengths ranging from 3300 feet to 1500 feet) to the DRR’s “major” yards at Elkhart, IN, Conway, PA, and Roanoke, VA.<sup>68</sup> Had DuPont developed a car classification and blocking plan for the DRR’s general freight traffic, it would have known that the number of cars that need to be classified on a daily basis varies widely at those three locations. Specifically, the average number of cars per day that the DRR would be required to classify during the peak year would be 2,274 cars at Elkhart, IN, 1,545 cars at Conway, PA, and 583 cars at Roanoke, VA.<sup>69</sup> Likewise, the information regarding NS’s current yard operations furnished to DuPont in discovery showed that NS today classifies an average of { } cars per day at Elkhart, IN, { } cars per day at Conway, PA, and { } cars per day at Roanoke, VA.<sup>70</sup> Thus, the DRR yards at Elkhart, IN, Conway, PA, and Roanoke, VA, have very different classification track capacity requirements, and the assignment of identical classification facilities to those yards by DuPont’s “yard matrix” methodology is utterly unrealistic.<sup>71</sup> Indeed, as NS’s Operating Plan demonstrates, the DRR

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<sup>67</sup> See *Otter Tail*, STB Docket No. 42071, at 19 (holding that yard configuration is a function of many factors including dwell time and flow in and out of the yard).

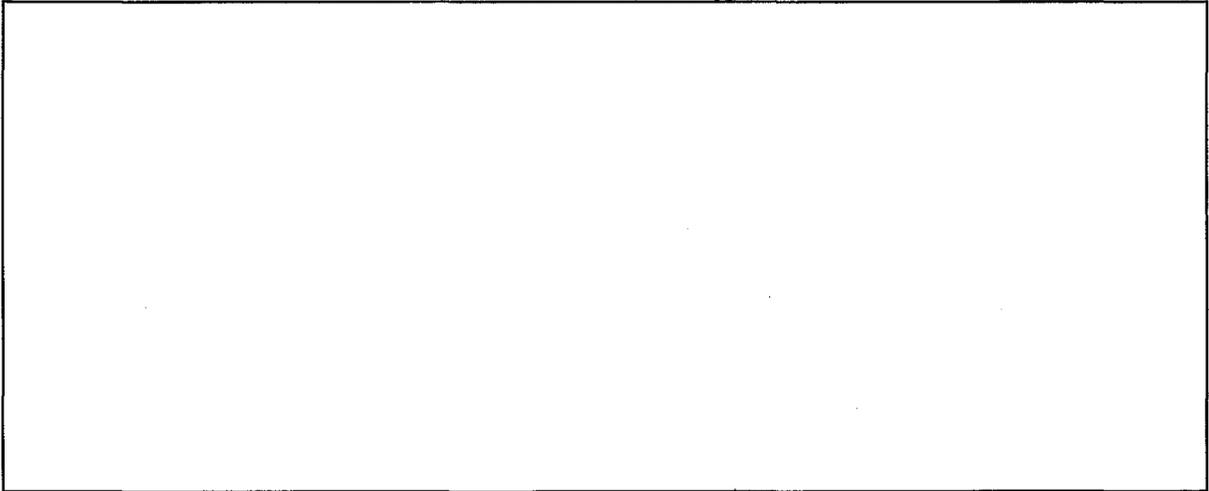
<sup>68</sup> See DuPont Opening WP “DRR Yard Matrix errata.xlsx,” Tab “CLASS TRK LENGTH,” Lines 1, 2 and 3.

<sup>69</sup> See NS Reply Ex. III-C-10, “Reply NS Yards—Operations.xlsx,” Tab “Yards” Lines 1, 4, 12.

<sup>70</sup> See NS Reply WP “Yards.xlsx” that was provided to DuPont in discovery and is included in NS Reply WP Folder “Documents Produced in Discovery III-C.”

<sup>71</sup> DuPont cannot credibly argue that the number of car classifications required at those (and other) DRR yards in the Base Year would be significantly different than NS’s current

**Figure III-C-17**  
**Route of Movement and Work Events for {{**



}}

As Figure III-C-17 shows, the train departed {{ }} with a consist of 55 loaded cars and 47 empty cars. It made intermediate stops at {{ }} before arriving at its final destination, {{ }}. The car event data provided by NS in discovery shows that {{ }} picked up and/or set off cars at each of those locations. In DuPont's RTC simulation, this train {{ }} stops en route at {{ }} but not at {{ }}. Upon arriving at {{ }} the DRR hands the train off to NS pursuant to an "internal cross-over" posited by DuPont. The train reappears as "new" {{ }} on the DRR system at {{ }} but does not stop to pick up the {{ }} loaded cars that NS Train {{ }} on that date.<sup>199</sup> As these examples demonstrate, DuPont's RTC Model does not properly account for the work events that DRR road trains would have to perform at intermediate locations. DuPont's modeling of local

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<sup>199</sup> See simulation contained in DuPont Opening WP folder "RTC."

Second, DuPont's list of "Major Bridges" needing inspection omits 65 major bridges that would require the use of a Snooper truck for inspection.

Third, on the 30 bridges that it does properly identify as requiring inspection, DuPont incorrectly claims that the entire length of each bridge would require inspection utilizing a Snooper truck. In fact, a Snooper truck is not required for the entire spans of many major bridges. For example, the Lake Pontchartrain bridge is 30,733 feet in length, but because most of the structure is approximately 12 feet above water level the majority of the bridge does not lend itself to inspection utilizing a Snooper truck. The only portion of the Lake Pontchartrain bridge that warrants Snooper truck inspection is an elevated 217' lift span. The NS MOW Experts have corrected DuPont's errors in reply workpapers that reflect the location and length of each bridge, the number of tracks at each location, and the length of bridge that would require contractor inspection utilizing a Snooper truck.<sup>477</sup>

DuPont's MOW witness indicates that he relied on information in DuPont Opening Workpaper "MOW - MAJOR BRIDGE INSPECTIONS.pdf" to calculate the estimated cost of { } per foot of bridge inspection. However, notations on the face of the work paper calculate a different cost. Moreover, only the cost of equipment rental, per diem and travel is itemized on the bill; there is no cost for the professional services of the bridge inspectors. Consequently the source cited by DuPont is unreliable.

The NS MOW Experts obtained estimates from two reputable qualified companies (C&S Companies, and HDR Engineering) for bridge inspection services utilizing a Snooper truck. C&S was the least expensive.<sup>478</sup> Using the C&S quote as a basis, the NS MOW Experts then applied an average cost of \$7.75 per track foot of bridge length for contractor inspection, which

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<sup>477</sup> See Reply WP "III-D-3 NS DRR MOW Plan.xlsx," Tab "Bridge Inspection – Reply."

<sup>478</sup> See Reply WP "C&S Bridge Inspection Quote.pdf"

### III. STAND-ALONE COST

#### F. ROAD PROPERTY INVESTMENT

NS's Reply Evidence demonstrates that DuPont underestimated the road property investment costs of the DRR by more than \$19 billion, as summarized by Table III-F-1 below. In this Section III-F, NS details the explanations for the significant differences in NS's and DuPont's calculations.

**Table III-F-1  
Comparison of DRR Construction Costs (\$ millions)**

	DuPont Opening	NS Reply	Difference
Land	\$3,374.0	\$5,323.8	\$1,949.8
Roadbed prep	\$3,969.0	\$9,173.2	\$5,204.2
Track construction - 1/	\$8,242.0	\$10,628.4	\$2,386.4
Tunnels	\$444.0	\$1,095.8	\$651.8
Bridges	\$1,928.0	\$4,348.1	\$2,420.1
Signals & Comm - 2/	\$1,247.0	\$2,069.9	\$822.9
Buildings & Facilities	\$229.0	\$2,636.2	\$2,407.2
Public Improvements	\$122.0	\$256.1	\$134.1
Mobilization	\$437.0	\$916.8	\$479.8
Engineering	\$1,618.0	\$2,980.9	\$1,362.9
Contingencies	\$1,824.0	\$3,370.6	\$1,546.6
<b>Total</b>	<b>\$23,434.0</b>	<b>\$42,799.9</b>	<b>\$19,365.9</b>
1/ - Reply land values reported at July 2007 levels			
2/ - A total of \$399.2 million in 2009 2Q PTC costs are invested after start up			

#### 1. Land<sup>1</sup>

DuPont's Opening Evidence on real estate costs for the DRR is predicated on fundamentally flawed methodologies and incorrect assumptions regarding when the DRR would

<sup>1</sup> This Land Valuation Section is sponsored by Michael P. Hedden, who is a real estate expert. Mr. Hedden has reviewed the DuPont land valuation evidence and prepared an alternative retroactive mass-appraisal valuation report. Mr. Hedden's credentials and expertise are described in more detail in Section IV.

grading function code, eight projects included costs directly related to excavation and borrow.

Table III-F-10 summarizes the relevant details of the earthmoving costs.

**Table III-F-10**  
**Summary of Earthwork Costs From NS AFEs Produced to DuPont**

<b>AFE</b>	<b>Year</b>	<b>Length (miles)</b>	<b>Earthwork Description</b>	<b>Earthwork Quantity (cubic yards)</b>	<b>2009 Unit Cost</b>
40856	2004	1.46	Unclassified Excavation	25,000	\$12.89
50096	2005	2.14	Unclassified Excavation	10,500	\$11.98
50739	2005	0.31	Unclassified Excavation	1,270	\$11.98
51323	2005	1.63	Grading - Cut	18,000	\$9.59
60561	2005	2.18	Grading - Cut/Borrow	20,300	\$17.30
70553	2006	2.59	Grading - Borrow	21,600	\$12.85
70565	2007	2.27	Unclassified Excavation	30,000	\$10.06
81228	2008	0.19	Rock Excavation	17,000	\$61.69
Total (incl. rock excv.)		12.77		143,670	\$18.20
Total (excl. rock excv.)		12.58		126,670	\$12.36

Source: NS Reply Workpaper "DuPont Earthwork AFEs.xlsx."

As Table III-F-10 shows, NS AFEs produced to DuPont in discovery include costs for nearly 13 miles of earthmoving work, totaling over 143,000 cubic yards. The seven projects not involving rock excavation averaged 1.82 miles<sup>47</sup> in length, or approximately 37% longer<sup>48</sup> than the Trestle Hollow Project. The NS actual cost per cubic yard, indexed to 2009 using the AAR indexes of chargeout prices and wage rates, range from a low of \$9.59 for excavating a cut, to a high of \$61.69 for excavating rock.<sup>49</sup> The NS actual cost averages \$18.20 per cubic yard, including the rock excavation project, and \$12.36 per cubic yard if the high cost of the rock

<sup>47</sup>  $12.77 / 7 = 1.82$ .

<sup>48</sup>  $1.82 / 1.33 = 1.37$ .

<sup>49</sup> NS Reply WP "NS Actual Earthwork Costs.xls."

Opening Evidence to NS's Engineering Experts' estimate of the costs of DRR signals and communications.

**Table III-F-23  
Comparison of DRR Signals and Communication Costs**

Item	DuPont Opening	NS Reply	Difference
<u>Non PTC Components</u>			
CTC-Based Signal System (Not Incl. Xing Share)	\$776.2	\$1,133.5	\$357.4
Crossing Protection Share of Sig Costs	\$60.2	\$68.7	\$8.5
Microwave Communications	\$250.9	\$254.8	\$3.9
PCS for Hump Yards	\$-	\$213.6	\$213.6
<b>Non PTC Subtotal</b>	<b>\$1,087.2</b>	<b>\$1,670.7</b>	<b>\$583.4</b>
<u>PTC Components</u>			
PTC - 2009 Deployment	\$19.5	\$-	\$(19.5)
PTC - 2009 Signal Investment	\$74.5	\$-	\$(74.5)
PTC - 2009 Loco Radios Investment	\$33.1		\$(33.1)
PTC - 2010-2015 Development - 1/	\$-	\$68.7	\$68.7
PTC - 2015 Deployment	\$-	\$26.28	\$26.3
PTC - 2015 Signal Investment	\$-	\$210.6	\$210.6
PTC - 2015 Loco Radios Investment	\$-	\$93.5	\$93.5
<b>PTC Subtotal</b>	<b>\$127.1</b>	<b>\$399.2</b>	<b>\$272.0</b>
<b>Total</b>	<b>\$1,214.4</b>	<b>\$2,069.9</b>	<b>\$855.5</b>
1/ - \$21.6 million in 2010-2015 PTC Development costs for OBN are included in 2015 Loco Radios Investment			

**a. Centralized Traffic Control**

**i. The DRR Could Not Install PTC In 2009.**

DuPont posited in its case-in-chief that “the DRR will install PTC at the beginning of DRR operations.”<sup>372</sup> That proposal is impossible, because critical PTC components still do not exist and certainly did not exist in 2009 when the DRR would begin operations. DuPont’s claim that it could reduce “investment expenditures” by “installing a PTC system from the outset” is

<sup>372</sup> DuPont Opening III-B-8; III-F-39.

communications coverage. In the office, NS has tested design versions of software for the Back Office Server and for UTCS enhancements as well as some of the UTCS enhancements for train tracking.

The NS PTC development effort is substantial and ongoing. Table III-F-28 summarizes NS's estimated PTC development cost, both incurred to date and forecast over the remainder of the projected deployment period.



growth. In using car miles, NS relies upon the flat-car miles for intermodal shipments, which tempers their impact more than if containers were used.

**k. Summary of SAC Analysis**

NS's stand-alone costs and revenues for DRR are presented in Table L of Exhibit III-H-1 on a quarterly and annual basis and summarized in Table III-H-2 below.

**Table III-H-2  
NS Reply Errata DRR SAC Results**

<b>Year</b>	<b>SARR Revenue Requirement</b>	<b>SARR Revenues</b>	<b>Overpayments (Shortfalls)</b>	<b>Present Value</b>
2009	\$4,733.3	\$2,851.7	(\$1,881.6)	(\$1,835.5)
2010	8,712.4	5,611.2	(3,101.1)	(2,705.7)
2011	9,310.5	6,074.8	(3,235.7)	(2,508.4)
2012	9,614.8	6,561.6	(3,053.2)	(2,144.7)
2013	9,981.4	7,024.4	(2,957.0)	(1,863.2)
2014	10,315.9	7,444.6	(2,871.2)	(1,622.9)
2015	10,760.8	7,825.8	(2,935.0)	(1,488.1)
2016	11,176.5	8,353.0	(2,823.5)	(1,284.2)
2017	11,619.1	8,930.9	(2,688.2)	(1,096.8)
2018	12,077.1	9,547.4	(2,529.8)	(925.8)
2019	5,202.0	4,254.4	(947.7)	(328.5)
<b>Cumulative Net Present Value</b>				<b>(\$17,803.9)</b>

The results in Table III-H-2 show that the revenues available to the SARR are not sufficient to cover the full SAC costs of the SARR over the 10-year analysis period. In fact, DRR would experience a cumulative revenue shortfall of nearly \$18 billion. Thus, DuPont has failed to demonstrate that the challenged rates are unreasonably high.

**2. Maximum Rate Calculations**

NS's Reply Evidence shows that the Board should have no reason to apply the Maximum Markup Methodology ("MMM"), because the challenged rates do not exceed a maximum reasonable level and no rate prescription is warranted. However, if the Board were to find that DRR's SAC revenues exceed its SAC costs, it should correct three errors in DuPont's proposed

**TABLE A: DRR ANNUAL COST OF CAPITAL**

<u>Year</u>	<u>Industry Cost of Capital</u>	<u>Industry Cost of Debt 1/</u>	<u>Industry Cost of Preferred Equity 2/</u>	<u>Industry Cost of Equity 3/</u>	<u>DRR 's Cost of Debt</u>	<u>DRR 's Cost of Preferred Equity</u>	<u>DRR 's Cost of Equity</u>	<u>Debt as a Percent of Total Investment</u>	<u>Preferred Equity as a Percent of Total Investment</u>	<u>Equity as a Percent of Total Investment</u>	<u>Composite Cost of Capital</u>	<u>1 + Cost of Capital</u>	<u>STB Prescribed Debt as a % of Capital 4/</u>
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
2006	9.94%	5.97%	0.00%	11.13%	5.97%	0.00%	11.13%	23.05%	0.00%	76.95%	9.94%	1.0994	23.05%
2007	11.33%	6.15%	0.00%	12.68%	6.15%	0.00%	12.68%	20.68%	0.00%	79.32%	11.33%	1.1133	20.68%
2008	11.75%	6.57%	0.00%	13.17%	6.57%	0.00%	13.17%	21.54%	0.00%	78.46%	11.75%	1.1175	21.54%
2009	10.43%	5.72%	0.00%	12.37%	5.72%	0.00%	12.37%	29.10%	0.00%	70.90%	10.43%	1.1043	29.10%
2010	11.03%			12.99%	6.33%	0.00%	12.99%	21.93%	0.00%	78.07%	11.53%	1.1153	
2011	11.57%			13.57%	6.33%	0.00%	13.57%	21.93%	0.00%	78.07%	11.98%	1.1198	
2012					6.33%	0.00%	12.93%	21.93%	0.00%	78.07%	11.48%	1.1148	
2013					6.33%	0.00%	12.93%	21.93%	0.00%	78.07%	11.48%	1.1148	
2014					6.33%	0.00%	12.93%	21.93%	0.00%	78.07%	11.48%	1.1148	
2015					6.33%	0.00%	12.93%	21.93%	0.00%	78.07%	11.48%	1.1148	
2016					6.33%	0.00%	12.93%	21.93%	0.00%	78.07%	11.48%	1.1148	
2017					6.33%	0.00%	12.93%	21.93%	0.00%	78.07%	11.48%	1.1148	
2018					6.33%	0.00%	12.93%	21.93%	0.00%	78.07%	11.48%	1.1148	
2019					6.33%	0.00%	12.93%	21.93%	0.00%	78.07%	11.48%	1.1148	

1/ Cost of railroad industry debt from the STB Decision in Ex Parte No. 558 (Sub-No. 10), Railroad Cost of Capital - 2006, decided April 14, 2008, STB Decision in Ex Parte No. 558 (Sub-No. 11), Railroad Cost of Capital - 2007, decided September 24, 2008, STB Decision in Ex Parte No. 558 (Sub-No. 12), Railroad Cost of Capital - 2008, decided September 24, 2009, STB Decision in Ex Parte No. 558 (Sub-No. 13), Railroad Cost of Capital - 2009, decided October 28, 2010.

2/ No preferred equity was issued in 2006 - 2010.

3/ Cost of railroad industry cost of equity from the STB Decision in Ex Parte No. 558 (Sub-No. 10), Railroad Cost of Capital - 2006, decided April 14, 2008, STB Decision in Ex Parte No. 558 (Sub-No. 11), Railroad Cost of Capital - 2007, decided September 24, 2008, STB Decision in Ex Parte No. 558 (Sub-No. 12), Railroad Cost of Capital - 2008, decided September 24, 2009, STB Decision in Ex Parte No. 558 (Sub-No. 13), Railroad Cost of Capital - 2009, decided October 28, 2010, and STB Decision in Ex Parte No. 558 (Sub-No. 14), Railroad Cost of Capital - 2010, decided September 30, 2011.

4/ Capital structure from the STB Decision in Ex Parte No. 558 (Sub-No. 10), Railroad Cost of Capital - 2006, decided April 14, 2008, STB Decision in Ex Parte No. 558 (Sub-No. 11), Railroad Cost of Capital - 2007, decided September 24, 2008, STB Decision in Ex Parte No. 558 (Sub-No. 12), Railroad Cost of Capital - 2008, decided September 24, 2009, and STB Decision in Ex Parte No. 558 (Sub-No. 13), Railroad Cost of Capital - 2009, decided October 28, 2010.

**TABLE B: DRR INFLATION INDEXES**

<u>Period</u> (1)	<u>Land 1/</u> (2)	<u>Hybrid RCAF 2/</u> (3)	<u>MWSExFuel 3/</u> (4)	<u>Mat &amp; Suppl 4/</u> (5)	<u>Wages &amp; Supps 5/</u> (6)
4Q 2006	98.8		372.8	250.9	397.4
1Q 2007	99.4		381.7	256.9	407.0
2Q 2007	100.0		381.8	254.7	407.5
3Q 2007	100.6		387.7	265.2	412.3
4Q 2007	101.2		392.9	274.8	416.5
1Q 2008	101.8		397.6	276.2	421.9
2Q 2008	102.4		399.6	283.4	422.7
3Q 2008	103.0		410.0	285.6	434.9
4Q 2008	103.6		418.1	318.9	437.1
1Q 2009	104.2		423.9	319.5	444.1
2Q 2009	104.8	100.0	422.7	305.5	445.8
3Q 2009	105.5	110.3	425.8	312.5	448.0
4Q 2009	106.1	117.1	421.7	302.2	445.4
1Q 2010	106.7	122.1	451.4	311.2	479.7
2Q 2010	107.3	124.6	448.8	305.2	477.9
3Q 2010	108.0	125.5	448.1	304.5	477.1
4Q 2010	108.6	129.7	451.7	322.0	477.5
1Q 2011	109.3	128.4	453.9	314.7	481.9
2Q 2011	109.9	138.1	454.5	309.1	484.0
3Q 2011	110.6	141.5	460.7	329.4	486.8
4Q 2011	111.2	141.7	466.7	331.8	493.5
1Q 2012	111.9	137.1	466.4	331.4	493.2
2Q 2012	112.5	138.9	476.6	344.5	502.7
3Q 2012	113.2	137.2	477.5	346.6	503.3
4Q 2012	113.9	141.6	474.5	335.5	502.3
1Q 2013	114.5	141.8	484.2	336.9	512.3
2Q 2013	115.2	141.9	484.5	338.2	512.9
3Q 2013	115.9	141.4	488.7	340.2	518.0
4Q 2013	116.6	142.4	494.8	342.3	524.7
1Q 2014	117.3	142.4	499.8	345.3	530.5
2Q 2014	118.0	143.3	500.4	348.5	531.0
3Q 2014	118.7	143.4	506.3	352.3	537.4
4Q 2014	119.4	144.9	512.3	355.8	543.8
1Q 2015	120.1	145.4	517.5	357.9	549.3
2Q 2015	120.8	145.9	522.2	360.1	554.9
3Q 2015	121.5	146.3	527.1	362.2	560.5
4Q 2015	122.2	146.8	532.6	364.4	566.1
1Q 2016	123.0	148.1	536.9	366.4	570.9
2Q 2016	123.7	149.4	541.3	368.5	575.7
3Q 2016	124.4	150.6	545.8	370.6	580.5
4Q 2016	125.2	151.9	550.3	372.7	585.4
1Q 2017	125.9	152.8	554.6	375.2	590.6
2Q 2017	126.6	153.8	560.6	377.7	595.8
3Q 2017	127.4	154.7	565.1	380.3	601.1
4Q 2017	128.1	155.6	569.4	382.8	606.5
1Q 2018	128.9	156.6	574.7	385.6	612.0
2Q 2018	129.7	157.6	579.4	388.5	617.6
3Q 2018	130.4	158.6	584.2	391.4	623.2
4Q 2018	131.2	159.5	589.4	394.3	628.9
1Q 2019	132.0	160.3	594.7	397.1	634.6
2Q 2019	132.8	161.2	600.3	400.0	640.4
Annual Inflation Rate 6/	2.39%		3.45%	2.22%	3.64%

1/ Used to index Road Property Account 2. Based on historic change in rural land prices as reported by the USDA and urban land prices as reported by the National Council of Real Estate Investment Fiduciaries.

2/ Used to index expenses in Table K. Based on the RCAF-U and RCAF-A through 2Q12 then Global Insight forecast for remaining periods.

3/ Used to index Road Property Accounts 3, 5, 6, 13, 17, 19, 20, 26, 27, 37, and 39. Based on RCR indices - East Region through 1Q12 then Global Insight forecast.

4/ Used to index Road Property Accounts 8, 9, and 11. Based on RCR indexes - East Region through 1Q12 then Global Insight forecast for remaining periods.

5/ Used to index Road Property Accounts 1, 1A and 12. Based on RCR indexes - East Region through 1Q12 then Global Insight forecast for remaining periods.

6/  $1Q2009 + 2Q2019 \times (1/10.25) - 1$ . The Annual Rate is used to develop asset replacement values at the end of asset lives.

**TABLE C: DRR PROPERTY INVESTMENT VALUES**

Construction of the DRR occurs between December 1, 2006 and May 31, 2009.  
Investments are assumed to be in June 2009 dollars.

Property Account (1)	Property Component (2)	Service Life In Years 1/ (3)	Investment In 12/1/2006 Dollars 2/ (4)	Investment In 6/1/2007 Dollars 3/ (5)	Investment In 6/1/2008 Dollars 4/ (6)	Investment In 6/1/2009 Dollars 5/ (7)	2006 Investment Value 6/ (8)	2007 Investment Value 7/ (9)	2008 Investment Value 8/ (10)	2009 Investment Value 9/ (11)	Total Property Investment 2Q09 10/ (12)
1	Engineering	NA	\$2,922,958,277	\$2,997,245,843	\$3,109,044,952	\$3,278,950,176	\$208,782,734	\$2,569,067,866	\$222,074,639	\$0	\$2,999,925,239
2	Land	NA	0	5,446,992,000	0	0	\$0	\$5,446,992,000	\$0	\$0	5,446,992,000
3	Grading	95	9,139,650,676	9,360,296,750	\$9,796,685,650	\$10,363,010,571	\$0	\$6,685,926,250	\$2,799,053,043	\$0	9,484,979,293
5	Tunnels	120	1,091,807,528	1,118,165,542	\$1,170,295,837	\$1,237,948,074	\$0	\$0	\$1,072,771,184	\$103,162,339	1,175,933,523
6	Bridges & Culverts	97	4,344,926,219	4,449,819,824	\$4,657,276,065	\$4,926,502,985	\$0	\$296,654,655	\$3,725,820,852	\$656,867,065	4,679,342,572
8	Ties	32	1,689,292,038	1,714,877,170	\$1,908,112,250	\$2,056,909,994	\$0	\$0	\$1,590,093,541	\$342,818,332	1,932,911,874
9	Rails and OTM	41	4,478,674,188	4,546,505,842	\$5,058,813,332	\$5,453,307,949	\$0	\$0	\$4,215,677,776	\$908,884,658	5,124,562,435
11	Ballast	39	2,190,436,650	2,223,611,856	\$2,474,171,967	\$2,667,111,983	\$0	\$0	\$2,061,809,973	\$444,518,664	2,506,328,636
12	Labor	39	1,630,952,138	1,672,403,111	\$1,734,784,773	\$1,829,588,483	\$0	\$0	\$1,445,653,978	\$304,931,414	1,750,585,391
13	Fences and Roadway Signs	95	14,414,022	14,762,000	\$15,450,223	\$16,343,366	\$0	\$0	\$12,875,186	\$2,723,894	15,599,080
16	Stations and Office Buildings	35	0	0	\$0	\$0	\$0	\$0	\$0	\$0	0
17	Roadway Buildings	39	2,218,407,006	2,271,962,969	\$2,377,884,763	\$2,515,345,068	\$0	\$0	\$2,377,884,763	\$0	2,377,884,763
19	Fuel Stations	31	100,997,905	103,436,159	\$108,258,484	\$114,516,669	\$0	\$0	\$108,258,484	\$0	108,258,484
20	Shops and Enginehouses	50	307,188,789	314,604,827	\$329,272,103	\$348,306,602	\$0	\$0	\$329,272,103	\$0	329,272,103
26	Communications Systems	26	253,880,766	260,009,861	\$272,131,851	\$287,863,196	\$0	\$0	\$136,065,925	\$143,931,598	279,997,524
27	Signals and Interlockers	56	1,410,685,929	1,444,742,188	\$1,512,097,901	\$1,599,508,965	\$0	\$0	\$756,048,950	\$799,754,483	1,555,803,433
39	Public Improvements	38	<u>228,031,895</u>	<u>233,536,957</u>	<u>\$244,424,746</u>	<u>\$258,554,405</u>	<u>\$0</u>	<u>\$0</u>	<u>\$203,687,289</u>	<u>\$43,092,401</u>	<u>246,779,689</u>
Total			\$32,022,304,026	\$38,172,972,900	\$34,768,704,896	\$36,953,768,488	\$208,782,734	\$14,998,640,770	\$21,057,047,686	\$3,750,684,849	\$40,015,156,039

1/ 1 + Depreciation Rate shown in Schedule 332 of NS' 2009 Annual Report R-1.  
2/ June 2009, indexed to 2006 dollars; 2Q09 Investment x Inflation Index from Table B, 4Q2006 + 2Q2009.  
3/ June 2009, indexed to 2007 dollars; 2Q09 Investment x Inflation Index from Table B, 2Q2007 + 2Q2009.  
4/ June 2009, indexed to 2008 dollars; 2Q09 Investment x Inflation Index from Table B, 2Q2008 + 2Q2009.  
5/ June 2009, indexed to 2009 dollars; 2Q09 Investment x Inflation Index from Table B, 2Q2009 + 2Q2009.  
6/ Column (4) x Percent constructed in 2006.  
7/ Column (5) x Percent constructed in 2007.  
8/ Column (6) x Percent constructed in 2008.  
9/ Column (7) x Percent constructed in 2009.  
10/ Sum of Columns (8) through (11).

**TABLE D: INTEREST DURING CONSTRUCTION**

Month of Installation	Cost of Funds 1/ (2)	Timing of Account 1 Investment 2/ (3)	Timing of Account 2 Investment 2/ (4)	Timing of Accounts 3,5 and 6 Investment 2/ (5)	Timing of Accounts 8 Through 39 Investment 2/ (6)	Total Investment by Month 3/ (7)	Interest During Construction 4/ (8)	Cost of Debt 5/ (9)	Deductible Interest During Construction 6/ (10)
Dec-06	0.79%	\$208,782,734	\$0	\$0	\$0	\$208,782,734	\$0	0.48%	\$0
Jan-07	0.90%	214,088,989		0	0	214,088,989	1,875,675	0.50%	239,947
Feb-07	0.90%	214,088,989		0	0	214,088,989	3,815,871	0.50%	488,148
Mar-07	0.90%	214,088,989		0	0	214,088,989	5,773,498	0.50%	738,579
Apr-07	0.90%	214,088,989	778,141,714	0	0	992,230,703	7,748,712	0.50%	991,259
May-07	0.90%	214,088,989	778,141,714	0	0	992,230,703	16,732,388	0.50%	2,140,502
Jun-07	0.90%	214,088,989	778,141,714	0	0	992,230,703	25,796,771	0.50%	2,960,757
Jul-07	0.90%	214,088,989	778,141,714	0	0	992,230,703	34,942,588	0.50%	4,010,444
Aug-07	0.90%	214,088,989	778,141,714	1,337,185,250	0	2,329,415,953	44,170,570	0.50%	5,069,562
Sep-07	0.90%	214,088,989	778,141,714	1,337,185,250	0	2,329,415,953	65,494,540	0.50%	7,516,964
Oct-07	0.90%	214,088,989	778,141,714	1,337,185,250	0	2,329,415,953	87,010,082	0.50%	9,986,354
Nov-07	0.90%	214,088,989	0	1,337,185,250	0	1,551,274,239	108,718,917	0.50%	12,477,929
Dec-07	0.90%	214,088,989	0	1,633,839,905	0	1,847,928,894	123,632,064	0.50%	14,189,546
Jan-08	0.93%	222,074,639	0	1,710,011,592		1,932,086,232	146,311,695	0.53%	17,298,608
Feb-08	0.93%	0	0	1,807,536,246	469,235,892	2,276,772,137	165,639,942	0.53%	19,583,810
Mar-08	0.93%	0	0	408,009,724	1,422,215,666	1,830,225,390	188,353,371	0.53%	22,269,246
Apr-08	0.93%	0	0	408,009,724	1,422,215,666	1,830,225,390	207,125,325	0.53%	24,488,676
May-08	0.93%	0	0	408,009,724	1,422,215,666	1,830,225,390	226,071,850	0.53%	26,728,747
Jun-08	0.93%	0	0	408,009,724	1,422,215,666	1,830,225,390	245,194,569	0.53%	30,195,214
Jul-08	0.93%	0	0	408,009,724	1,422,215,666	1,830,225,390	264,495,122	0.53%	32,572,038
Aug-08	0.93%	0	0	408,009,724	952,979,774	1,360,989,498	283,975,163	0.53%	34,970,966
Sep-08	0.93%	0	0	408,009,724	952,979,774	1,360,989,498	299,272,659	0.53%	36,854,822
Oct-08	0.93%	0	0	408,009,724	1,250,351,399	1,658,361,124	314,712,415	0.53%	38,756,196
Nov-08	0.93%	0	0	408,009,724	1,250,351,399	1,658,361,124	333,061,188	0.53%	41,015,810
Dec-08	0.93%	0	0	408,009,724	1,250,351,399	1,658,361,124	351,580,598	0.53%	43,296,438
Jan-09	0.83%	0	0	431,595,872	1,338,046,709	1,769,642,581	330,695,539	0.46%	39,846,504
Feb-09	0.83%	0	0	328,433,532	1,338,046,709	1,666,480,241	348,140,105	0.46%	41,948,453
Mar-09	0.83%	0	0	0	314,562,027	314,562,027	364,872,734	0.46%	43,964,618
Apr-09	0.83%	0	0	0	0	0	370,515,847	0.46%	44,644,574
May-09	0.83%	0	0	0	0	0	<u>373,593,203</u>	0.46%	<u>45,015,374</u>
Total		\$2,999,925,239	\$5,446,992,000	#####	\$16,227,983,412	\$40,015,156,039	\$5,339,323,000		\$644,260,086

1/  $((1 + \text{Cost of Capital from Table A for the applicable year})^{(1/12)} - 1) \times 100$ .

2/ Applicable account value from Table C for the applicable investment period.

3/ Sum of Columns (3) through (6).

4/ January 2007 equals Column (2) x prior Column (7), all other periods equal Column (2) x ((Sum of Column (7) for all prior periods) + (Sum of Column (8) for all prior periods)) x Table A, Column (9) for the applicable year.

5/  $((1 + \text{Cost of Debt from Table A for the applicable year})^{(1/12)} - 1) \times 100$ .

6/ January 2007 equals prior Column (7) x Column (9) x Table A, Column (9) for 2007, all other periods equal Column (9) x ((Sum of Column (7) for all prior periods) + (Sum of Column (8) for all prior periods)) x Table A, Column (9) for the applicable year.

TABLE E: DRR INTEREST PAYMENTS FOR ASSETS PURCHASED WITH DEBT CAPITAL

INTEREST SCHEDULE FOR THE DRR 2006 ROAD PROPERTY INVESTMENT FOR THE 2Q2009 START-UP

INTEREST SCHEDULE FOR THE DRR 2007 ROAD PROPERTY INVESTMENT FOR THE 2Q2009 START-UP

INTEREST SCHEDULE FOR THE DRR 2008 ROAD PROPERTY INVESTMENT FOR THE 2Q2009 START-UP

INTEREST SCHEDULE FOR THE DRR 2009 ROAD PROPERTY INVESTMENT FOR THE 2Q2009 START-UP

Table with 6 columns: Quarter, Beginning Balance, Ending Balance, Payment, Principal, Interest %

Table with 6 columns: Quarter, Beginning Balance, Ending Balance, Payment, Principal, Interest %

Table with 6 columns: Quarter, Beginning Balance, Ending Balance, Payment, Principal, Interest %

Table with 6 columns: Quarter, Beginning Balance, Ending Balance, Payment, Principal, Interest %

T/ From Table D, Column (7) for the applicable year investment.

T/ From Table D, Column (8) for the applicable year investment.

T/ From Table D, Column (9) for the applicable year investment.

T/ From Table D, Column (10) for the applicable year investment.

TABLE E: DRR INTEREST PAYMENTS FOR ASSETS PURCHASED WITH DEBT CAPITAL

(Continued)

INTEREST SCHEDULE FOR THE DRR 2006 ROAD PROPERTY INVESTMENT FOR THE 2Q2009 START-UP

INTEREST SCHEDULE FOR THE DRR 2007 ROAD PROPERTY INVESTMENT FOR THE 2Q2009 START-UP

INTEREST SCHEDULE FOR THE DRR 2008 ROAD PROPERTY INVESTMENT FOR THE 2Q2009 START-UP

INTEREST SCHEDULE FOR THE DRR 2009 ROAD PROPERTY INVESTMENT FOR THE 2Q2009 START-UP

Table with 6 columns: Quarter, Beginning Balance, Ending Balance, Payment, Principal, Interest %

Table with 6 columns: Quarter, Beginning Balance, Ending Balance, Payment, Principal, Interest %

Table with 6 columns: Quarter, Beginning Balance, Ending Balance, Payment, Principal, Interest %

Table with 6 columns: Quarter, Beginning Balance, Ending Balance, Payment, Principal, Interest %

FUTURE INT. DISCOUNTED

1,502,972,780

Table with 6 columns: Quarter, Beginning Balance, Ending Balance, Payment, Principal, Interest %

58	19,877,927	19,144,454	1,023,731	733,473	290,258	58	1,338,219,169	1,289,083,780	69,252,330	49,135,389	20,116,941	58	2,207,944,381	2,127,804,453	115,544,692	80,139,928	35,404,764	58	657,239,591	632,821,165	33,621,827	24,418,426	9,203,401	39,869,727
59	19,144,454	18,400,270	1,023,731	744,183	279,548	59	1,289,083,780	1,239,209,757	69,252,330	49,874,023	19,378,307	59	2,127,804,453	2,046,379,468	115,544,692	81,424,985	34,119,707	59	632,821,165	608,060,804	33,621,827	24,760,360	8,861,467	37,382,970
60	18,400,270	17,645,220	1,023,731	755,050	268,682	60	1,239,209,757	1,188,585,997	69,252,330	50,623,760	18,628,570	60	2,046,379,468	1,963,648,820	115,544,692	82,730,648	32,814,043	60	608,060,804	582,953,722	33,621,827	25,107,083	8,514,745	34,979,581
61	17,645,220	16,879,145	1,023,731	766,075	257,656	61	1,188,585,997	1,137,201,229	69,252,330	51,384,768	17,867,562	61	1,963,648,820	1,879,591,571	115,544,692	84,057,249	31,487,443	61	582,953,722	557,495,062	33,621,827	25,458,660	8,163,167	32,687,129
62	16,879,145	16,101,884	1,023,731	777,261	246,470	62	1,137,201,229	1,085,044,013	69,252,330	52,157,216	17,095,115	62	1,879,591,571	1,794,186,451	115,544,692	85,405,121	30,139,571	62	557,495,062	531,679,902	33,621,827	25,815,160	7,806,667	30,413,248
63	16,101,884	15,313,273	1,023,731	788,611	235,120	63	1,085,044,013	1,032,102,738	69,252,330	52,941,275	16,311,055	63	1,794,186,451	1,707,411,844	115,544,692	86,774,606	28,770,085	63	531,679,902	505,503,249	33,621,827	26,176,653	7,445,174	28,245,941
64	15,313,273	14,513,146	1,023,731	800,126	223,605	64	1,032,102,738	978,365,617	69,252,330	53,737,121	15,515,209	64	1,707,411,844	1,619,245,792	115,544,692	88,166,052	27,378,640	64	505,503,249	478,960,041	33,621,827	26,543,208	7,078,619	28,152,072
65	14,513,146	13,701,336	1,023,731	811,810	211,922	65	978,365,617	923,820,686	69,252,330	54,544,931	14,707,399	65	1,619,245,792	1,529,665,982	115,544,692	89,579,810	25,964,882	65	478,960,041	452,045,146	33,621,827	26,914,895	6,706,932	24,130,367
66	13,701,336	12,877,673	1,023,731	823,664	200,068	66	923,820,686	868,455,901	69,252,330	55,364,884	13,887,446	66	1,529,665,982	1,438,649,745	115,544,692	91,016,237	24,728,455	66	452,045,146	424,753,358	33,621,827	27,291,788	6,330,040	22,178,415
67	12,877,673	12,041,981	1,023,731	835,691	188,040	67	868,455,901	812,258,638	69,252,330	56,197,164	13,055,167	67	1,438,649,745	1,346,174,047	115,544,692	92,475,698	23,068,994	67	424,753,358	397,079,401	33,621,827	27,673,958	5,947,870	20,294,181
68	12,041,981	11,194,087	1,023,731	847,894	175,838	68	812,258,638	755,216,683	69,252,330	57,041,954	12,210,376	68	1,346,174,047	1,252,215,485	115,544,692	93,958,562	21,586,130	68	397,079,401	369,017,921	33,621,827	28,061,479	5,560,348	18,475,610
69	11,194,087	10,333,813	1,023,731	860,275	163,457	69	755,216,683	697,317,239	69,252,330	57,899,444	11,352,886	69	1,252,215,485	1,156,750,282	115,544,692	95,465,203	20,079,489	69	369,017,921	340,563,494	33,621,827	28,454,427	5,167,400	16,720,821
70	10,333,813	9,460,976	1,023,731	872,837	150,895	70	697,317,239	638,547,414	69,252,330	58,769,825	10,482,506	70	1,156,750,282	1,059,754,278	115,544,692	96,996,004	18,488,688	70	340,563,494	311,710,616	33,621,827	28,852,878	4,768,949	15,027,907
71	9,460,976	8,575,394	1,023,731	885,582	138,150	71	638,547,414	578,894,125	69,252,330	59,653,289	9,599,041	71	1,059,754,278	961,202,927	115,544,692	98,551,351	16,993,340	71	311,710,616	282,453,709	33,621,827	29,256,908	4,364,919	13,395,033
72	8,575,394	7,676,881	1,023,731	898,513	125,218	72	578,894,125	518,344,090	69,252,330	60,550,034	8,702,296	72	961,202,927	861,071,287	115,544,692	100,133,639	15,413,053	72	282,453,709	252,787,113	33,621,827	29,666,596	3,955,231	11,820,419
73	7,676,881	6,765,247	1,023,731	911,633	112,098	73	518,344,090	456,883,830	69,252,330	61,460,260	7,792,070	73	861,071,287	759,334,020	115,544,692	101,737,267	13,807,425	73	252,787,113	222,705,092	33,621,827	30,082,020	3,539,807	10,302,330
74	6,765,247	5,840,302	1,023,731	924,945	98,786	74	456,883,830	394,499,661	69,252,330	62,384,169	6,868,161	74	759,334,020	655,965,379	115,544,692	103,368,641	12,176,050	74	222,705,092	192,201,830	33,621,827	30,503,262	3,118,565	8,839,082
75	5,840,302	4,901,851	1,023,731	938,451	85,280	75	394,499,661	331,177,695	69,252,330	63,321,967	5,930,364	75	655,965,379	550,939,203	115,544,692	105,026,175	10,518,517	75	192,201,830	161,271,427	33,621,827	30,930,403	2,691,424	7,429,038
76	4,901,851	3,949,697	1,023,731	952,154	71,577	76	331,177,695	266,903,833	69,252,330	64,273,862	4,978,469	76	550,939,203	444,228,916	115,544,692	106,710,288	8,834,404	76	161,271,427	129,907,902	33,621,827	31,363,525	2,258,302	6,070,607
77	3,949,697	2,985,639	1,023,731	966,058	57,674	77	266,903,833	201,663,767	69,252,330	65,240,066	4,012,294	77	444,228,916	335,807,510	115,544,692	108,421,406	7,123,286	77	129,907,902	98,105,190	33,621,827	31,802,712	1,819,115	4,762,242
78	2,985,639	2,003,475	1,023,731	980,164	43,567	78	201,663,767	135,442,972	69,252,330	66,220,795	3,031,535	78	335,807,510	225,647,549	115,544,692	110,159,961	5,384,731	78	98,105,190	65,857,141	33,621,827	32,248,049	1,373,778	3,502,439
79	2,003,475	1,008,998	1,023,731	994,477	29,255	79	135,442,972	68,226,704	69,252,330	67,216,267	2,036,063	79	225,647,549	113,721,154	115,544,692	111,926,395	3,618,297	79	65,857,141	33,157,519	33,621,827	32,699,622	922,205	2,289,738
80	1,008,998	0	1,023,731	1,008,998	14,733	80	68,226,704	0	69,252,330	68,226,704	1,025,626	80	113,721,154	0	115,544,692	113,721,154	1,823,538	80	33,157,519	0	33,621,827	33,157,519	464,309	1,122,718

1/ From Table D, Column (7) for the applicable year investment.

2/ From Table D, Column (8) for the applicable year investment.

3/ (Total Investment + IDC) x (Proportion of Debt from Table A, Column (9)).

4/ From Table A, Column (6) for the applicable year investment.

5/ Based on Ex Parte No. 657 20-year payment period x 4.

6/ Quarterly coupon payments on Line 3 principal and Line 4 interest rates.

7/ Late 6 coupon payment.

**TABLE F: DRR PRESENT VALUE OF REPLACEMENT COST**

Property Account (1)	Property Component (2)	Service Life In Years 1/ (3)	Investment 2/ (4)	Salvage 3/ (5)	Replacement Year Asset Net Cost 4/ (6)	Replacement Cost Adjusted To Reflect An Infinite Life 5/ (7)	Present Value Of Replacement Cost Adjusted To Reflect An Infinite Life (2009 Dollars) 6/ (8)
3	Grading	95	\$287,602,459,057	\$0	\$235,620,018,469	\$235,879,114,322	\$11,295,292
5	Tunnels	120	83,944,670,233	0	68,772,168,414	68,784,581,739	235,882
6	Bridges & Culverts	97	151,071,279,912	0	111,381,766,783	111,489,052,632	4,401,095
8	Ties	32	4,674,385,981	0	2,954,441,279	3,288,896,169	116,928,036
9	Rails and OTM	41	15,056,643,395	1,005,220,354	8,921,619,942	9,430,101,685	132,793,538
11	Ballast	39	7,085,738,469	0	4,478,534,359	4,770,132,079	80,675,323
12	Labor	39	8,333,787,204	0	5,267,362,392	5,623,600,859	100,186,967
13	Fences and Roadway Signs	95	472,993,523	0	348,728,456	349,111,930	16,718
16	Stations and Office Buildings	35	0	0	0	0	0
17	Roadway Buildings	39	10,726,367,863	0	7,908,331,778	8,423,243,874	142,458,931
19	Wastewater Treatment	31	374,663,883	0	276,232,023	309,297,892	11,828,923
20	Shops and Enginehouses	50	2,152,442,754	0	1,586,952,046	1,632,585,214	8,810,185
26	Communications Systems	26	812,106,063	0	513,290,876	607,574,265	40,031,904
27	Signals and Interlockers	56	12,541,877,266	366,677,583	7,729,457,672	7,870,844,418	22,275,600
39	Public Improvements	38	1,074,623,176	0	792,297,702	848,148,675	15,989,696
	Total		\$585,924,038,779	\$1,371,897,937	\$456,551,202,194	\$459,306,285,754	\$687,928,089

1/ From Table C, Column (3).

2/ (Table C, Column (10) after allocation of Engineering) x (Table B, 1.0 + Annual Inflation Index)^(Column (3)).

3/ [(Column (4) x Salvage %) - (Table C, Column (10) after allocation of Engineering x Salvage %)] x (1 - Current Federal Tax Rate) + (Table C, Column (10) after allocation of Engineering x Salvage %).

4/ Column (4) - (Present Value of the remaining tax deductions for depreciation, interest expense and the Present Value of any salvage).

5/ Column (6) + [(Column (6)) / ((1 + Real Cost of Capital)^Column (3) - 1)].

6/ Column (7) / ((1 + Average Nominal Cost of Capital from Table A Column (2))^Column (3)).

**TABLE G: DRR TAX DEPRECIATION SCHEDULES**

Depreciation of Start-up investment for tax purposes using accounting lives from Modified Accelerated Cost Recovery System (MACRS) 1/

Road Property Account (1)	Road Property Component (2)	Asset Lives Per MACRS 2/ (3)	Total 2Q 2009 Investment (4)	Depreciable Base (5)
1	Engineering	5	\$2,999,925,239	\$2,999,925,239
2	Land	N/A	5,446,992,000	0
3	Grading	50	9,484,979,293	9,484,979,293
5	Tunnels	50	1,175,933,523	1,175,933,523
6	Bridges & Culverts	20	4,679,342,572	4,679,342,572
8	Ties	7	1,932,911,874	1,932,911,874
9	Rails and OTM	7	5,124,562,435	5,124,562,435
11	Ballast	7	2,506,328,636	2,506,328,636
12	Labor	7	1,750,585,391	1,750,585,391
13	Fences and Roadway Signs	20	15,599,080	15,599,080
16	Stations and Office Buildings	20	0	0
17	Roadway Buildings	20	2,377,884,763	2,377,884,763
19	Fuel Stations	20	108,258,484	108,258,484
20	Shops and Enginehouses	20	329,272,103	329,272,103
26	Communications Systems	7	279,997,524	279,997,524
27	Signals and Interlockers	7	1,555,803,433	1,555,803,433
39	Public Improvements	20	<u>246,779,689</u>	<u>246,779,689</u>
Total			\$40,015,156,039	\$34,568,164,039

1/ Applicable Depreciation Method: 200 or 150 percent  
 Declining Balance Switching to Straight Line  
 Applicable Recovery Periods: 7, 15 and 50 a/ years  
 Applicable Convention: Mid-quarter(property placed in service in second quarter)

The Depreciation Rates are as follows for the corresponding Recovery Period and Recovery year:

Recovery Year	--- Recovery Period ---				Recovery Year	--- Recovery Period ---			
	5-Year	7-year	15-year	50-year		7-year	15-year	50-year	
1	20.00%	17.85%	6.250%	2.00%	10	0.00%	5.900%	2.00%	
2	20.00%	23.47%	9.380%	2.00%	11	0.00%	5.910%	2.00%	
3	20.00%	16.76%	8.440%	2.00%	12	0.00%	5.900%	2.00%	
4	20.00%	11.97%	7.590%	2.00%	13	0.00%	5.910%	2.00%	
5	20.00%	8.87%	6.830%	2.00%	14	0.00%	5.900%	2.00%	
6		8.87%	6.150%	2.00%	15	0.00%	5.910%	2.00%	
7		8.87%	5.910%	2.00%	16	0.00%	2.460%	2.00%	
8		3.34%	5.90%	2.00%	17	0.00%	0.000%	2.00%	
9		0.00%	5.910%	2.00%	18	0.00%	0.000%	2.00%	
					19-50	0.00%	0.000%	2.00%	

a/ 50 year property uses the Straight Line Method for all time periods

2/ Bonus Depreciation Per the **Economic Stimulus Act of 2008**, and the **American Recovery & Reinvestment Act** for the following depreciable assets:

MACRS Lives (1)	Bonus Depreciation (2)
7	\$403,800,000
20	N/A

**TABLE G: DRR TAX DEPRECIATION SCHEDULES**  
(Continued)

Year (1)	Amortization - 5 Years			Road Property Depreciation - MACRS 7 Years		Depreciation - MACRS 20 Years			Depreciation - MACRS 50 Years			Total Annual Depreciation 10/ (14)	
	Unamortized Investment 1/ (2)	Rate 2/ (3)	Annual Amort. 3/ (4)	Undepreciated Investment 4/ (5)	Rate 2/ (6)	Annual Amount 5/ (7)	Undepreciated Investment 6/ (8)	Rate 2/ (9)	Annual Amount 7/ (10)	Unamortized Investment 8/ (11)	Rate 2/ (12)		Annual Amount 9/ (13)
1	\$2,999,925,239	20.00%	\$599,985,048	\$12,746,389,293	17.85%	\$2,275,230,489	\$7,757,136,691	4.688%	\$363,654,568	\$10,660,912,816	2%	\$213,218,256	\$3,855,888,361
2	2,399,940,191	20.00%	599,985,048	10,471,158,804	23.47%	2,991,577,567	7,393,482,123	7.148%	554,480,131	10,447,694,560	2%	213,218,256	4,359,261,002
3	1,799,955,143	20.00%	599,985,048	7,479,581,237	16.76%	2,136,294,845	6,839,001,992	6.612%	512,901,878	10,234,476,303	2%	213,218,256	3,462,400,028
4	1,199,970,096	20.00%	599,985,048	5,343,286,392	11.97%	1,525,742,798	6,326,100,114	6.116%	474,426,480	10,021,258,047	2%	213,218,256	2,813,372,583
5	599,985,048	20.00%	599,985,048	3,817,543,593	8.87%	1,130,604,730	5,851,673,634	5.658%	438,898,794	9,808,039,791	2%	213,218,256	2,382,706,828
6				2,686,938,863	8.87%	1,130,604,730	5,412,774,840	5.233%	405,930,963	9,594,821,534	2%	213,218,256	1,749,753,950
7				1,556,334,133	8.87%	1,130,604,730	5,006,843,877	4.841%	375,522,987	9,381,603,278	2%	213,218,256	1,719,345,974
8				425,729,402	3.34%	425,729,402	4,631,320,890	4.478%	347,364,581	9,168,385,022	2%	213,218,256	986,312,240
9							4,283,956,309	4.463%	346,201,011	8,955,166,765	2%	213,218,256	559,419,267
10					100.00%		3,937,755,299	4.463%	346,201,011	8,741,948,509	2%	213,218,256	559,419,267
11							3,591,554,288	4.463%	346,201,011	8,528,730,253	2%	213,218,256	559,419,267
12							3,245,353,277	4.463%	346,201,011	8,315,511,996	2%	213,218,256	559,419,267
13							2,899,152,267	4.463%	346,201,011	8,102,293,740	2%	213,218,256	559,419,267
14							2,552,951,256	4.463%	346,201,011	7,889,075,484	2%	213,218,256	559,419,267
15							2,206,750,246	4.462%	346,123,439	7,675,857,228	2%	213,218,256	559,341,695
16							1,860,626,807	4.463%	346,201,011	7,462,638,971	2%	213,218,256	559,419,267
17							1,514,425,796	4.462%	346,123,439	7,249,420,715	2%	213,218,256	559,341,695
18							1,168,302,357	4.463%	346,201,011	7,036,202,459	2%	213,218,256	559,419,267
19							822,101,347	4.462%	346,123,439	6,822,984,202	2%	213,218,256	559,341,695
20							475,977,907	4.463%	346,201,011	6,609,765,946	2%	213,218,256	559,419,267
21							129,776,897	1.673%	129,776,897	6,396,547,690	2%	213,218,256	342,995,153
								100.00%		6,183,329,433	2%	213,218,256	213,218,256
										5,756,892,921	2%	213,218,256	213,218,256
										5,543,674,664	2%	213,218,256	213,218,256
										5,330,456,408	2%	213,218,256	213,218,256
										5,117,238,152	2%	213,218,256	213,218,256
										4,904,019,895	2%	213,218,256	213,218,256
										4,690,801,639	2%	213,218,256	213,218,256
										4,477,583,383	2%	213,218,256	213,218,256
										4,264,365,126	2%	213,218,256	213,218,256
										4,051,146,870	2%	213,218,256	213,218,256
										3,837,928,614	2%	213,218,256	213,218,256

1/ From Table G, Page 8, Column (5), Road Property Accounts 1.

2/ From Table G, Footnote 1/, Page 8.

3/ Column (2), Year 1 x Column (3).

4/ From Table G, Page 8, Column (5), Road Property Accounts 8, 9, 11, 12, 26 and 27 minus Page 10, 7-Year Bonus Depreciation.

5/ Column (5), Year 1 x Column (6).

6/ From Table G, Page 8, Column (5), Road Property Accounts 6, 13, 16, 17, 19, 20 and 39 minus Page 8, 15-Year Bonus Depreciation.

7/ Column (8), Year 1 x Column (9).

8/ From Table G, Page 8, Column (5), Road Property Accounts 3 and 5.

9/ Column (11), Year 1 x Column (12).

10/ Column (4) + Column (7) + Column (10) + Column (13) plus Page 8, 7 & 15 Year Bonus Depreciation.

**TABLE H: DRR AVERAGE ANNUAL INFLATION IN ASSET PRICES**

Development of average annual inflation factors for all capital assets

1. 2Q2009 Land value	\$5,446,992,000 1/
2. 2Q2009 Property asset value accounts 3, 5, 6, 13, 17, 26, 27, 39 and 52	\$20,253,850,464 1/
3. 2Q2009 Road Property asset value accounts 8, 9, and 11	\$9,563,802,945 1/
4. 2Q2009 Road Property asset value accounts 1 and 12	\$4,750,510,630 1/

Period (1)	Quarter (2)	Inflation Index For Land 2/ (3)	Inflation Index For Line 2 Property Assets 3/ (4)	Inflation Index For Line 3 Road Property Assets 4/ (5)	Inflation Index For Line 4 Road Property Assets 5/ (6)	Land Value 6/ (7)	Road Property Value 7/ (8)	2Q2009 Inflation Index 8/ (9)
0		1.000	1.000	1.000	1.000	\$5,446,992,000	\$34,568,164,039	1.000
1	June 1-June 30 09	1.006	0.997	0.956	1.004	5,479,250,087	34,109,941,917	0.989
2	2009 3 Qtr	1.012	1.004	0.978	1.009	5,511,699,212	34,491,128,102	1.000
3	2009 4 Qtr	1.018	0.995	0.946	1.003	5,544,340,506	33,959,102,294	0.987
4	2010 1 Qtr	1.024	1.065	0.974	1.080	5,577,175,109	36,014,469,790	1.039
5	2010 2 Qtr	1.030	1.059	0.955	1.076	5,610,204,164	35,691,385,928	1.032
6	2010 3 Qtr	1.036	1.057	0.953	1.074	5,643,428,823	35,628,428,969	1.031
7	2010 4 Qtr	1.042	1.066	1.008	1.075	5,676,850,244	36,328,553,939	1.050
8	2011 1 Qtr	1.048	1.071	0.985	1.085	5,710,469,594	36,262,220,310	1.049
9	2011 2 Qtr	1.055	1.072	0.967	1.090	5,744,288,043	36,145,723,282	1.047
10	2011 3 Qtr	1.061	1.087	1.031	1.096	5,778,306,772	37,079,562,580	1.071
11	2011 4 Qtr	1.067	1.101	1.038	1.111	5,812,526,965	37,509,751,549	1.083
12	2012 1 Qtr	1.073	1.100	1.037	1.111	5,846,949,817	37,480,235,070	1.083
13	2012 2 Qtr	1.080	1.124	1.078	1.132	5,881,576,528	38,461,340,676	1.108
14	2012 3 Qtr	1.086	1.126	1.085	1.133	5,916,408,304	38,573,621,321	1.112
15	2012 4 Qtr	1.093	1.119	1.050	1.131	5,951,446,360	38,088,689,823	1.101
16	2013 1 Qtr	1.099	1.142	1.054	1.154	5,986,691,918	38,696,689,551	1.117
17	2013 2 Qtr	1.106	1.143	1.059	1.155	6,022,146,207	38,760,899,303	1.119
18	2013 3 Qtr	1.112	1.153	1.065	1.166	6,057,810,462	39,072,758,413	1.128
19	2013 4 Qtr	1.119	1.167	1.071	1.182	6,093,685,928	39,497,983,774	1.139
20	2014 1 Qtr	1.125	1.179	1.081	1.195	6,129,773,855	39,891,326,835	1.150

1/ Table C, Page 3, Column (12).

2/ Previous Column (3) x (1 + Quarterly Inflation Rate Change from Table B).

3/ Previous Column (4) x (1 + Quarterly Inflation Rate Change from Table B).

4/ Previous Column (5) x (1 + Quarterly Inflation Rate Change from Table B).

5/ Previous Column (6) x (1 + Quarterly Inflation Rate Change from Table B).

6/ Line 1 x Column (3) for applicable quarter.

7/ (Line 2 x Column (4) for applicable quarter) + (Line 3 x Column (5) for applicable quarter) + (Line 4 x Column (6) for applicable quarter).

8/ (Column (7) + Column (8)) ÷ (Period 0; (Column (7) + Column (8))).

9/ Annual weighted inflation using the last two quarters, used to calculate real cost of capital.

**TABLE H: DRR AVERAGE ANNUAL INFLATION IN ASSET PRICES**

(Continued)

Development of average annual inflation factors for all capital assets

1. 2Q2009 Land value	\$5,446,992,000 1/
2. 2Q2009 Property asset value accounts 3, 5, 6, 13, 17, 26, 27, 39 and 52	\$20,253,850,464 1/
3. 2Q2009 Road Property asset value accounts 8, 9, and 11	\$9,563,802,945 1/
4. 2Q2009 Road Property asset value accounts 1 and 12	\$4,750,510,630 1/

Period (1)	Quarter (2)	Inflation Index For Land 2/ (3)	Inflation Index For Line 2 Property Assets 3/ (4)	Inflation Index For Line 3 Road Property Assets 4/ (5)	Inflation Index For Line 4 Road Property Assets 5/ (6)	Land Value 6/ (7)	Road Property Value 7/ (8)	2Q2009 Inflation Index 8/ (9)
21	2014 2 Qtr	1.132	1.180	1.091	1.196	\$6,166,075,501	\$40,019,411,093	1.154
22	2014 3 Qtr	1.139	1.194	1.103	1.210	6,202,592,132	40,484,584,513	1.167
23	2014 4 Qtr	1.145	1.209	1.114	1.225	6,239,325,021	40,947,965,194	1.179
24	2015 1 Qtr	1.152	1.221	1.120	1.237	6,276,275,450	41,316,588,539	1.189
25	2015 2 Qtr	1.159	1.232	1.127	1.249	6,313,444,705	41,665,308,132	1.199
26	2015 3 Qtr	1.166	1.243	1.134	1.262	6,350,834,084	42,021,009,567	1.209
27	2015 4 Qtr	1.173	1.256	1.140	1.275	6,388,444,889	42,409,110,443	1.219
28	2016 1 Qtr	1.180	1.267	1.147	1.285	6,426,278,433	42,728,194,266	1.228
29	2016 2 Qtr	1.187	1.277	1.153	1.296	6,464,336,034	43,050,123,073	1.237
30	2016 3 Qtr	1.194	1.288	1.160	1.307	6,502,619,019	43,380,897,315	1.247
31	2016 4 Qtr	1.201	1.298	1.167	1.318	6,541,128,722	43,710,691,826	1.256
32	2017 1 Qtr	1.208	1.308	1.174	1.330	6,579,866,488	44,048,340,005	1.265
33	2017 2 Qtr	1.215	1.322	1.182	1.342	6,618,833,665	44,465,675,602	1.277
34	2017 3 Qtr	1.222	1.333	1.190	1.354	6,658,031,613	44,813,718,541	1.286
35	2017 4 Qtr	1.230	1.343	1.198	1.366	6,697,461,699	45,151,335,964	1.296
36	2018 1 Qtr	1.237	1.356	1.207	1.378	6,737,125,297	45,547,466,956	1.307
37	2018 2 Qtr	1.244	1.367	1.216	1.391	6,777,023,790	45,920,356,940	1.317
38	2018 3 Qtr	1.252	1.378	1.225	1.403	6,817,158,569	46,294,136,735	1.327
39	2018 4 Qtr	1.259	1.390	1.234	1.416	6,857,531,033	46,688,822,480	1.338
40	2019 1 Qtr	1.266	1.403	1.243	1.429	6,898,142,591	47,090,372,002	1.349
41	April 1-May 31 '19	1.274	1.416	1.252	1.442	6,938,994,658	47,503,488,588	1.361

Annual Average 9/

3.34%

1/ Table C, Page 3, Column (12).

2/ Previous Column (3) x (1 + Quarterly Inflation Rate Change from Table B).

3/ Previous Column (4) x (1 + Quarterly Inflation Rate Change from Table B).

4/ Previous Column (5) x (1 + Quarterly Inflation Rate Change from Table B).

5/ Previous Column (6) x (1 + Quarterly Inflation Rate Change from Table B).

6/ Line 1 x Column (3) for applicable quarter.

7/ (Line 2 x Column (4) for applicable quarter) + (Line 3 x Column (5) for applicable quarter) + (Line 4 x Column (6) for applicable quarter).

8/ (Column (7) + Column (8)) ÷ (Period 0; (Column (7) + Column (8))).

9/ Annual weighted inflation using the last two quarters, used to calculate real cost of capital.

**TABLE I: DRR DISCOUNTED CASH FLOW**  
(Road Property)

Discounted Cash Flow

Present Value of the Cash Flow Discounted at the Cost of Capital in Table A

Inflation In Asset Values From Table H

1. 2Q2009 Road Property Investment	\$40,015,156,039 1/	Federal Tax Rate	35.0%
2. Interest During Construction (2Q2009 Invest.)	\$5,339,323,000 2/		
3. Total 2Q2009 Investment	\$45,354,479,039 3/	Route Mile Weighted	
4. Present Value Of Replacement Cost for the DRR	\$687,928,089 4/	Average State Tax Rate	6.5% 6/
5. Equity Financing Fee	\$656,001,682 5/		
6. Future PTC Investment	\$403,608,022		
7. Total Cost Recovered From Quarterly Revenue Flow	\$47,102,016,833 5a/ control-e runs PTC_DCF macro		

<u>Period</u>	<u>Quarter</u>	<u>Quarterly Levelized Capital Carrying Charge Requirement 7/</u>	<u>Interest on Investment Financed With Debt 8/</u>	<u>Tax Depreciation 9/</u>	<u>Actual Federal Tax Payments 10/</u>	<u>Actual State Tax Payments 11/</u>	<u>Cash Flow 12/</u>	<u>Present Value Cash Flow 13/</u>	<u>Cumulative Present Value 14/</u>
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	June 1 to June 30	\$390,425,853	\$51,004,750	\$540,545,097	\$0	\$0	\$390,425,853	\$385,611,787	\$385,611,787
2	2009 3 Qtr	1,196,665,458	153,720,447	1,657,671,632	0	0	1,196,665,458	1,150,104,764	1,535,716,551
3	2009 4 Qtr	1,181,726,609	152,711,183	1,657,671,632	0	0	1,181,726,609	1,105,183,971	2,640,900,521
4	2010 1 Qtr	1,244,527,981	151,686,383	1,089,815,250	0	0	1,244,527,981	1,132,596,313	3,773,496,835
5	2010 2 Qtr	1,235,848,803	150,645,807	1,089,815,250	0	0	1,235,848,803	1,094,431,879	4,867,928,713
6	2010 3 Qtr	1,234,959,136	149,589,210	1,089,815,250	0	0	1,234,959,136	1,063,674,998	5,931,603,711
7	2010 4 Qtr	1,256,908,713	148,516,346	1,089,815,250	0	0	1,256,908,713	1,052,381,306	6,983,985,017
8	2011 1 Qtr	1,256,303,456	147,426,964	865,600,007	0	0	1,256,303,456	1,022,532,139	8,006,517,157
9	2011 2 Qtr	1,253,828,767	146,320,808	865,600,007	0	0	1,253,828,767	992,050,241	8,998,567,397
10	2011 3 Qtr	1,282,798,161	145,197,621	865,600,007	0	0	1,282,798,161	987,213,385	9,985,780,782
11	2011 4 Qtr	1,296,698,600	144,057,138	865,600,007	0	0	1,296,698,600	971,165,539	10,956,946,321
12	2012 1 Qtr	1,297,276,047	142,899,094	703,343,146	0	0	1,297,276,047	945,557,917	11,902,504,238
13	2012 2 Qtr	1,327,688,482	141,723,216	703,343,146	0	0	1,327,688,482	941,788,620	12,844,292,858
14	2012 3 Qtr	1,332,093,232	140,529,230	703,343,146	127,537,604	25,489,035	1,179,066,593	813,948,824	13,658,241,682
15	2012 4 Qtr	1,318,622,798	139,316,857	703,343,146	155,696,147	31,116,663	1,131,809,989	760,385,458	14,418,627,139
16	2013 1 Qtr	1,338,375,188	138,085,812	595,676,707	197,779,876	39,527,309	1,101,068,003	719,906,238	15,138,533,377
17	2013 2 Qtr	1,341,360,367	136,835,807	595,676,707	199,165,282	39,804,189	1,102,390,895	701,453,565	15,839,986,942
18	2013 3 Qtr	1,351,769,531	135,566,549	595,676,707	202,985,508	40,567,681	1,108,216,342	686,261,087	16,526,248,030
19	2013 4 Qtr	1,365,580,614	134,277,742	595,676,707	207,924,958	41,554,855	1,116,100,801	672,619,971	17,198,868,001
20	2014 1 Qtr	1,379,007,129	132,969,083	437,438,487	264,507,723	52,863,207	1,061,636,199	622,649,396	17,821,517,398
21	2014 2 Qtr	1,383,932,898	131,640,267	437,438,487	266,553,712	53,272,108	1,064,107,077	607,371,906	18,428,889,303
22	2014 3 Qtr	1,398,965,875	130,290,981	437,438,487	271,912,651	54,343,119	1,072,710,105	595,872,378	19,024,761,682
23	2014 4 Qtr	1,413,951,614	128,920,909	437,438,487	277,262,936	55,412,401	1,081,276,277	584,533,050	19,609,294,732
24	2015 1 Qtr	1,445,857,954	127,529,731	429,836,493	290,641,915	58,086,257	1,097,129,781	577,207,434	20,186,502,166

25	2015 2 Qtr	1,457,581,149	126,117,122	429,836,493	294,938,878	58,945,027	1,103,697,245	565,100,101	20,751,602,267
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**TABLE I: DRR DISCOUNTED CASH FLOW**  
**(Road Property Continued)**

Period	Quarter	Quarterly Levelized Capital Carrying Charge Requirement 7/	Interest on Investment Financed With Debt 8/	Tax Depreciation 9/	Actual Federal Tax Payments 10/	Actual State Tax Payments 11/	Cash Flow 12/	Present Value Cash Flow 13/	Cumulative Present Value 14/
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
26	2015 3 Qtr	\$1,469,523,139	\$124,682,748	\$429,836,493	\$299,314,531	\$59,819,524	\$1,110,389,085	\$553,289,113	\$21,304,891,380
27	2015 4 Qtr	1,482,456,141	123,226,276	429,836,493	304,021,591	60,760,253	1,117,674,296	541,993,052	21,846,884,432
28	2016 1 Qtr	1,493,299,191	121,747,364	246,578,060	367,999,520	73,546,566	1,051,753,104	496,356,568	22,343,241,000
29	2016 2 Qtr	1,504,235,478	120,245,664	246,578,060	372,068,214	74,359,715	1,057,807,549	485,834,271	22,829,075,271
30	2016 3 Qtr	1,515,447,334	118,720,825	246,578,060	376,234,620	75,192,393	1,064,020,322	475,590,228	23,304,665,499
31	2016 4 Qtr	1,526,636,313	117,172,490	246,578,060	380,401,228	76,025,110	1,070,209,974	465,536,255	23,770,201,754
32	2017 1 Qtr	1,538,070,813	115,600,296	139,854,817	419,567,084	83,852,605	1,034,651,125	438,005,903	24,208,207,656
33	2017 2 Qtr	1,551,933,165	114,003,874	139,854,817	424,623,931	84,863,241	1,042,445,992	429,478,183	24,637,685,840
34	2017 3 Qtr	1,563,697,435	112,382,850	139,854,817	429,002,506	85,738,322	1,048,956,607	420,578,029	25,058,263,868
35	2017 4 Qtr	1,575,152,033	110,736,844	139,854,817	433,287,954	86,594,790	1,055,269,289	411,769,213	25,470,033,081
36	2018 1 Qtr	1,588,391,352	109,065,470	139,854,817	438,165,514	87,569,595	1,062,656,242	403,538,416	25,873,571,498
37	2018 2 Qtr	1,600,931,751	107,368,337	139,854,817	442,822,872	88,500,392	1,069,608,487	395,292,380	26,268,863,877
38	2018 3 Qtr	1,613,506,360	105,645,046	139,854,817	447,499,977	89,435,135	1,076,571,248	387,202,269	26,656,066,147
39	2018 4 Qtr	1,626,723,307	103,895,193	139,854,817	452,395,891	90,413,608	1,083,913,808	379,394,805	27,035,460,952
40	2019 1 Qtr	1,640,156,038	102,118,368	139,854,817	457,371,215	91,407,952	1,091,376,871	371,768,759	27,407,229,711
41	April 1-May 31 '19	1,108,690,068	67,243,554	93,748,833	310,009,266	61,956,921	736,723,882	247,573,212	27,654,802,923
	Future	91,644,912,824	1,502,972,780	4,091,713,945	28,148,604,750	5,625,641,099	57,870,666,975	19,447,213,910	47,102,016,833

1/ From Table C, Column (12) + Maintenance of Way Capital Costs

2/ From Table D, Column (8).

3/ Line 1 + Line 2.

4/ Table F Column (8).

5/ Portion of investment financed with debt x equity finance %

5a/ Line 3 + Line 4.

6/ DRR route mile weighted average state tax rates for the DRR states.

7/ Carrying costs needed to recover the total investment over 1 month, 39 quarters and 2 months after consideration of the applicable interest payments, tax depreciation and tax liability. The Future value is an estimate of a perpetual income stream for the DRR and is calculated by taking the Period 41, Column (3) value and dividing it by the DRR 's estimated quarterly Real Cost of Capital.

8/ Value from Table E, except for Future. Future equals Period 40, Column (4) value and dividing it by the DRR 's estimated quarterly Real Cost of Capital.

9/ Value from Table G, Page 9, Column (14) divided by 4 quarters.

10/ Table J: Part 1 Page 14 of 18.

11/ Table J: Part 2 Page 15 of 18.

12/ (Column (3) - Column (6) - Column (7)).

13/ Column (8) discounted by the fourth root of the annual Cost of Capital adjusted to midquarter dollars from Table A.

**TABLE J - PART 1: COMPUTATION OF FEDERAL TAX LIABILITY - TAXABLE INCOME**  
(Road Property)

Time Period (1)	Taxable Income B/4 NOL's DRR 1/ (2)	Net Operating Losses Generated 2/ (3)	NOL's Generated Plus Carryforward 3/ (4)	Carryforward Utilized 4/ (5)	Carryforward Remaining 5/ (6)	Carryback Available 6/ (7)	Carryback Utilized 7/ (8)	Carryback Remaining 8/ (9)	Annual Taxable Income 9/ (10)	Annual Tax Liability 10/ (11)
2007	(\$60,809,992)	(\$60,809,992)	(\$60,809,992)	\$0	(\$60,809,992)	(\$60,809,992)	\$0	(\$60,809,992)	\$0	\$0
2008	(368,030,571)	(368,030,571)	(428,840,563)	0	(428,840,563)	(428,840,563)	0	(428,840,563)	0	0
Jan. 1-May 31 09	(215,419,523)	(215,419,523)	(644,260,086)	0	(644,260,086)	(644,260,086)	0	(644,260,086)	0	0
June 1-June 30 09	(201,123,994)	(201,123,994)	(845,384,080)	0	(845,384,080)	(845,384,080)	0	(845,384,080)	0	0
2009 3 Qtr	(614,726,621)	(614,726,621)	(1,460,110,701)	0	(1,460,110,701)	(1,460,110,701)	0	(1,460,110,701)	0	0
2009 4 Qtr	(628,656,206)	(628,656,206)	(2,088,766,907)	0	(2,088,766,907)	(2,088,766,907)	0	(2,088,766,907)	0	0
2010 1 Qtr	3,026,348	0	(2,088,766,907)	3,026,348	(2,085,740,559)	(2,085,740,559)	0	(2,085,740,559)	0	0
2010 2 Qtr	(4,612,255)	(4,612,255)	(2,090,352,814)	0	(2,090,352,814)	(2,090,352,814)	0	(2,090,352,814)	0	0
2010 3 Qtr	(4,445,324)	(4,445,324)	(2,094,798,138)	0	(2,094,798,138)	(2,094,798,138)	0	(2,094,798,138)	0	0
2010 4 Qtr	18,577,117	0	(2,094,798,138)	18,577,117	(2,076,221,021)	(2,076,221,021)	0	(2,076,221,021)	0	0
2011 1 Qtr	243,276,486	0	(2,076,221,021)	243,276,486	(1,832,944,536)	(1,832,944,536)	0	(1,832,944,536)	0	0
2011 2 Qtr	241,907,951	0	(1,832,944,536)	241,907,951	(1,591,036,584)	(1,591,036,584)	0	(1,591,036,584)	0	0
2011 3 Qtr	272,000,533	0	(1,591,036,584)	272,000,533	(1,319,036,051)	(1,319,036,051)	0	(1,319,036,051)	0	0
2011 4 Qtr	287,041,455	0	(1,319,036,051)	287,041,455	(1,031,994,596)	(1,031,994,596)	0	(1,031,994,596)	0	0
2012 1 Qtr	451,033,808	0	(1,031,994,596)	451,033,808	(580,960,788)	(580,960,788)	0	(580,960,788)	0	0
2012 2 Qtr	482,622,121	0	(580,960,788)	482,622,121	(98,338,668)	(98,338,668)	0	(98,338,668)	0	0
2012 3 Qtr	462,731,821	0	(98,338,668)	98,338,668	0	0	0	0	364,393,153	127,537,604
2012 4 Qtr	444,846,133	0	0	0	0	0	0	0	444,846,133	155,696,147
2013 1 Qtr	565,085,360	0	0	0	0	0	0	0	565,085,360	197,779,876
2013 2 Qtr	569,043,663	0	0	0	0	0	0	0	569,043,663	199,165,282
2013 3 Qtr	579,958,593	0	0	0	0	0	0	0	579,958,593	202,985,508
2013 4 Qtr	594,071,310	0	0	0	0	0	0	0	594,071,310	207,924,958
2014 1 Qtr	755,736,351	0	0	0	0	0	0	0	755,736,351	264,507,723
2014 2 Qtr	761,582,036	0	0	0	0	0	0	0	761,582,036	266,553,712
2014 3 Qtr	776,893,288	0	0	0	0	0	0	0	776,893,288	271,912,651
2014 4 Qtr	792,179,816	0	0	0	0	0	0	0	792,179,816	277,262,936
2015 1 Qtr	830,405,471	0	0	0	0	0	0	0	830,405,471	290,641,915
2015 2 Qtr	842,682,507	0	0	0	0	0	0	0	842,682,507	294,938,878
2015 3 Qtr	855,184,373	0	0	0	0	0	0	0	855,184,373	299,314,531
2015 4 Qtr	868,633,118	0	0	0	0	0	0	0	868,633,118	304,021,591
2016 1 Qtr	1,051,427,201	0	0	0	0	0	0	0	1,051,427,201	367,999,520
2016 2 Qtr	1,063,052,039	0	0	0	0	0	0	0	1,063,052,039	372,068,214
2016 3 Qtr	1,074,956,056	0	0	0	0	0	0	0	1,074,956,056	376,234,620
2016 4 Qtr	1,086,860,653	0	0	0	0	0	0	0	1,086,860,653	380,401,228
2017 1 Qtr	1,198,763,096	0	0	0	0	0	0	0	1,198,763,096	419,567,084
2017 2 Qtr	1,213,211,233	0	0	0	0	0	0	0	1,213,211,233	424,623,931
2017 3 Qtr	1,225,721,446	0	0	0	0	0	0	0	1,225,721,446	429,002,506
2017 4 Qtr	1,237,965,582	0	0	0	0	0	0	0	1,237,965,582	433,287,954
2018 1 Qtr	1,251,901,469	0	0	0	0	0	0	0	1,251,901,469	438,165,514
2018 2 Qtr	1,265,208,205	0	0	0	0	0	0	0	1,265,208,205	442,822,872
2018 3 Qtr	1,278,571,363	0	0	0	0	0	0	0	1,278,571,363	447,499,977
2018 4 Qtr	1,292,559,689	0	0	0	0	0	0	0	1,292,559,689	452,395,891
2019 1 Qtr	1,306,774,901	0	0	0	0	0	0	0	1,306,774,901	457,371,215
April 1-May 31 '19	885,740,761	0	0	0	0	0	0	0	885,740,761	310,009,266
Future	80,424,584,999	0	0	0	0	0	0	0	80,424,584,999	28,148,604,750

1/ Table I, Page 13, Column (3) - Table E, Page 5, Columns (2), (4), (6) & (8) - Table G, Column (14) / 4 - Table J Part 2, Page 15, Column (11).

Values for 2007-May 31, 2009 from Table D, Sum of Column (10).

2/ Column (2) if less than zero, otherwise zero.

3/ Cumulative total of Column (2).

4/ If Column (2) is greater than zero, and (Column (2) + Column (4) is less than zero, then Column (2), otherwise Column (4).

5/ Column (4) + Column (5) + Column (8).

6/ Previous period Column (9) + current period Column (3) - current period Column (5).

7/ If previous Column (10) is greater than zero, and previous Column (10) is less than current Column (7), then previous Column (10), otherwise zero.

8/ Column (7) + Column (8).

9/ If Column (2) is greater than zero, then Column (2) - Column (5) - Column (8), otherwise zero.

10/ Column (10) times applicable Federal Statutory Tax Rate.

**TABLE J - PART 2: COMPUTATION OF STATE TAX LIABILITY - TAXABLE INCOME**  
(Road Property)

Time Period	Taxable Income B/4 NOL's DRR 1/ (2)	Net Operating Losses Generated 2/ (3)	NOL's Plus Generated Carryforward 3/ (4)	Carryforward Utilized 4/ (5)	Carryforward Remaining 5/ (6)	Carryback Available 6/ (7)	Carryback Utilized 7/ (8)	Carryback Remaining 8/ (9)	Annual Taxable Income 9/ (10)	Annual Tax Liability 10/ (11)
2007	(\$60,809,992)	(\$60,809,992)	(\$60,809,992)	\$0	(\$60,809,992)	(\$60,809,992)	\$0	(\$60,809,992)	\$0	\$0
2008	(368,030,571)	(368,030,571)	(428,840,563)	0	(428,840,563)	(428,840,563)	0	(428,840,563)	0	0
Jan. 1-May 31 09	(215,419,523)	(215,419,523)	(644,260,086)	0	(644,260,086)	(644,260,086)	0	(644,260,086)	0	0
June 1-June 30 09	(201,123,994)	(201,123,994)	(845,384,080)	0	(845,384,080)	(845,384,080)	0	(845,384,080)	0	0
2009 3 Qtr	(614,726,621)	(614,726,621)	(1,460,110,701)	0	(1,460,110,701)	(1,460,110,701)	0	(1,460,110,701)	0	0
2009 4 Qtr	(628,656,206)	(628,656,206)	(2,088,766,907)	0	(2,088,766,907)	(2,088,766,907)	0	(2,088,766,907)	0	0
2010 1 Qtr	3,026,348	0	(2,088,766,907)	3,026,348	(2,085,740,559)	(2,085,740,559)	0	(2,085,740,559)	0	0
2010 2 Qtr	(4,612,255)	(4,612,255)	(2,090,352,814)	0	(2,090,352,814)	(2,090,352,814)	0	(2,090,352,814)	0	0
2010 3 Qtr	(4,445,324)	(4,445,324)	(2,094,798,138)	0	(2,094,798,138)	(2,094,798,138)	0	(2,094,798,138)	0	0
2010 4 Qtr	18,577,117	0	(2,094,798,138)	18,577,117	(2,076,221,021)	(2,076,221,021)	0	(2,076,221,021)	0	0
2011 1 Qtr	243,276,486	0	(2,076,221,021)	243,276,486	(1,832,944,536)	(1,832,944,536)	0	(1,832,944,536)	0	0
2011 2 Qtr	241,907,951	0	(1,832,944,536)	241,907,951	(1,591,036,584)	(1,591,036,584)	0	(1,591,036,584)	0	0
2011 3 Qtr	272,000,533	0	(1,591,036,584)	272,000,533	(1,319,036,051)	(1,319,036,051)	0	(1,319,036,051)	0	0
2011 4 Qtr	287,041,455	0	(1,319,036,051)	287,041,455	(1,031,994,596)	(1,031,994,596)	0	(1,031,994,596)	0	0
2012 1 Qtr	451,033,808	0	(1,031,994,596)	451,033,808	(580,960,788)	(580,960,788)	0	(580,960,788)	0	0
2012 2 Qtr	482,622,121	0	(580,960,788)	482,622,121	(98,338,668)	(98,338,668)	0	(98,338,668)	0	0
2012 3 Qtr	488,220,857	0	(98,338,668)	98,338,668	0	0	0	0	389,882,189	25,489,035
2012 4 Qtr	475,962,796	0	0	0	0	0	0	0	475,962,796	31,116,663
2013 1 Qtr	604,612,669	0	0	0	0	0	0	0	604,612,669	39,527,309
2013 2 Qtr	608,847,853	0	0	0	0	0	0	0	608,847,853	39,804,189
2013 3 Qtr	620,526,274	0	0	0	0	0	0	0	620,526,274	40,567,681
2013 4 Qtr	635,626,165	0	0	0	0	0	0	0	635,626,165	41,554,855
2014 1 Qtr	808,599,558	0	0	0	0	0	0	0	808,599,558	52,863,207
2014 2 Qtr	814,854,144	0	0	0	0	0	0	0	814,854,144	53,272,108
2014 3 Qtr	831,236,407	0	0	0	0	0	0	0	831,236,407	54,343,119
2014 4 Qtr	847,592,217	0	0	0	0	0	0	0	847,592,217	55,412,401
2015 1 Qtr	888,491,729	0	0	0	0	0	0	0	888,491,729	58,086,257
2015 2 Qtr	901,627,534	0	0	0	0	0	0	0	901,627,534	58,945,027
2015 3 Qtr	915,003,897	0	0	0	0	0	0	0	915,003,897	59,819,524
2015 4 Qtr	929,393,371	0	0	0	0	0	0	0	929,393,371	60,760,253
2016 1 Qtr	1,124,973,768	0	0	0	0	0	0	0	1,124,973,768	73,546,566
2016 2 Qtr	1,137,411,754	0	0	0	0	0	0	0	1,137,411,754	74,359,715
2016 3 Qtr	1,150,148,449	0	0	0	0	0	0	0	1,150,148,449	75,192,393
2016 4 Qtr	1,162,885,763	0	0	0	0	0	0	0	1,162,885,763	76,025,110
2017 1 Qtr	1,282,615,701	0	0	0	0	0	0	0	1,282,615,701	83,852,605
2017 2 Qtr	1,298,074,474	0	0	0	0	0	0	0	1,298,074,474	84,863,241
2017 3 Qtr	1,311,459,768	0	0	0	0	0	0	0	1,311,459,768	85,738,322
2017 4 Qtr	1,324,560,372	0	0	0	0	0	0	0	1,324,560,372	86,594,790
2018 1 Qtr	1,339,471,064	0	0	0	0	0	0	0	1,339,471,064	87,569,595
2018 2 Qtr	1,353,708,597	0	0	0	0	0	0	0	1,353,708,597	88,500,392
2018 3 Qtr	1,368,006,497	0	0	0	0	0	0	0	1,368,006,497	89,435,135
2018 4 Qtr	1,382,973,298	0	0	0	0	0	0	0	1,382,973,298	90,413,608
2019 1 Qtr	1,398,182,853	0	0	0	0	0	0	0	1,398,182,853	91,407,952
April 1-May 31 '19	947,697,681	0	0	0	0	0	0	0	947,697,681	61,956,921
Future	86,050,226,098	0	0	0	0	0	0	0	86,050,226,098	5,625,641,099

1/ Table I, Page 13, Column (3) - Table E, Page 5, Columns (2), (4), (6) & (8) - Table G, Column (14) / 4.

Values for 2007-May 31, 2009 from Table D, Sum of Column (10).

2/ Column (2) if less than zero, otherwise zero.

3/ Cumulative total of Column (2).

4/ If Column (2) is greater than zero, and (Column (2) + Column (4) is less than zero, then Column (2), otherwise Column (4).

5/ Column (4) + Column (5) + Column (8).

6/ Previous period Column (9) + current period Column (3) - current period Column (5).

7/ If previous Column (10) is greater than zero, and previous Column (10) is less than current Column (7), then previous Column (10), otherwise zero.

8/ Column (7) + Column (8).

9/ If Column (2) is greater than zero, then Column (2) - Column (5) - Column (8), otherwise zero.

10/ Column (10) times applicable route mile weighted State Statutory Tax Rates.

**TABLE K: DRR OPERATING EXPENSES**

<u>Item</u> (1)	<u>2009</u> (2)	<u>2010</u> (3)	<u>2011</u> (4)	<u>2012</u> (5)	<u>2013</u> (7)	<u>2014</u> (8)	<u>2015</u> (9)	<u>2016</u> (10)	<u>2017</u> (11)	<u>2018</u> (12)	<u>2019</u> (13)
1. Train & Engine Personnel	\$586,047,033	\$632,661,718	\$659,098,818	\$675,877,704	\$705,664,837	\$726,684,658	\$742,579,781	\$762,161,148	\$782,504,926	\$805,271,634	\$829,554,370
2. Locomotive Lease Expense	\$145,328,766	\$156,888,340	\$163,444,249	\$167,605,101	\$174,991,756	\$180,204,281	\$184,145,976	\$189,001,791	\$194,046,669	\$199,692,389	\$205,714,056
3. Locomotive Maintenance Expense	\$151,139,730	\$163,161,514	\$169,979,561	\$174,306,784	\$181,988,794	\$187,409,742	\$191,509,045	\$196,559,019	\$201,805,617	\$207,677,081	\$213,939,524
4. Locomotive Operating Expense	\$458,184,418	\$494,628,800	\$515,297,904	\$528,416,005	\$551,704,238	\$568,137,996	\$580,565,151	\$595,874,293	\$611,779,505	\$629,579,016	\$648,563,791
5. Railcar Lease Expense	\$420,134,232	\$453,552,070	\$472,504,697	\$484,533,398	\$505,887,646	\$520,956,653	\$532,351,788	\$546,389,574	\$560,973,928	\$577,295,269	\$594,703,443
6. Material & Supply Operating	\$11,058,124	\$11,058,124	\$11,058,124	\$11,058,124	\$11,058,124	\$11,058,124	\$11,058,124	\$11,058,124	\$11,058,124	\$11,058,124	\$11,058,124
7. Ad Valorem Tax	\$84,217,794	\$84,217,794	\$84,217,794	\$84,217,794	\$84,217,794	\$84,217,794	\$84,217,794	\$84,217,794	\$84,217,794	\$84,217,794	\$84,217,794
8. Operating Managers	\$128,545,634	\$128,545,634	\$128,545,634	\$128,545,634	\$128,545,634	\$128,545,634	\$128,545,634	\$128,545,634	\$128,545,634	\$128,545,634	\$128,545,634
9. General & Administration	\$379,996,185	\$189,288,544	\$189,288,544	\$189,288,544	\$189,288,544	\$189,288,544	\$189,288,544	\$189,288,544	\$189,288,544	\$189,288,544	\$189,288,544
10. Loss and Damage	\$12,829,525	\$13,849,996	\$14,428,748	\$14,796,065	\$15,448,154	\$15,908,312	\$16,256,282	\$16,684,950	\$17,130,309	\$17,628,709	\$18,160,298
11. Trackage Rights	\$73,990,030	\$79,875,260	\$83,213,016	\$85,331,396	\$89,092,102	\$91,745,912	\$93,752,714	\$96,224,915	\$98,793,372	\$101,667,731	\$104,733,492
12. Intermodal Lift Costs	\$110,402,702	\$119,184,228	\$124,164,592	\$127,325,489	\$132,936,950	\$136,896,777	\$139,891,186	\$143,580,030	\$147,412,500	\$151,701,416	\$156,275,929
13. Multi-Level Loading Costs	\$6,917,396	\$7,467,612	\$7,779,662	\$7,977,711	\$8,329,303	\$8,577,410	\$8,765,028	\$8,996,156	\$9,236,283	\$9,505,010	\$9,791,631
14. Insurance	2.36% \$69,636,878	\$68,823,439	\$70,918,778	\$72,248,631	\$74,609,486	\$76,275,465	\$77,535,273	\$79,087,244	\$80,699,641	\$82,504,074	\$84,428,664
15. Maintenance of Way	<u>\$377,142,713</u>	<u>\$377,142,713</u>	<u>\$377,142,713</u>	<u>\$377,142,713</u>	<u>\$377,142,713</u>	<u>\$377,142,713</u>	<u>\$377,142,713</u>	<u>\$377,142,713</u>	<u>\$377,142,713</u>	<u>\$377,142,713</u>	<u>\$377,142,713</u>
16. Total Operating Expenses	\$3,015,571,160	\$2,980,345,787	\$3,071,082,831	\$3,128,671,093	\$3,230,906,074	\$3,303,050,013	\$3,357,605,031	\$3,424,811,928	\$3,494,635,559	\$3,572,775,137	\$3,656,118,006
17. Expense Per Quarter	753,892,790	\$745,086,447	\$767,770,708	\$782,167,773	\$807,726,518	\$825,762,503	\$839,401,258	\$856,202,982	\$873,658,890	\$893,193,784	\$914,029,502

**TABLE K: DRR OPERATING EXPENSES, INDEXED**

(Continued)

<u>Period</u> (1)	<u>Quarter</u> (2)	<u>Hybrid Index 1/</u> (3)	<u>Operating Expense Indexed For Inflation 2/</u> (4)	<u>Period</u> (5)	<u>Quarter</u> (6)	<u>Hybrid Index 1/</u> (7)	<u>Operating Expense Indexed For Inflation 2/</u> (8)
1	June 1 to June 30	100.000	\$248,489,138 3/	27	2015 4 Qtr	146.804	\$1,232,273,503
2	2009 3 Qtr	110.339	832,310,430 4/	28	2016 1 Qtr	148.075	1,267,821,491
3	2009 4 Qtr	117.144	883,644,238 4/	29	2016 2 Qtr	149.357	1,278,798,117
4	2010 1 Qtr	122.071	909,535,108	30	2016 3 Qtr	150.624	1,289,651,368
5	2010 2 Qtr	124.633	928,624,207	31	2016 4 Qtr	151.903	1,300,596,731
6	2010 3 Qtr	125.532	935,321,203	32	2017 1 Qtr	152.849	1,335,374,789
7	2010 4 Qtr	129.733	966,625,097	33	2017 2 Qtr	153.800	1,343,688,262
8	2011 1 Qtr	128.412	985,912,343	34	2017 3 Qtr	154.707	1,351,607,483
9	2011 2 Qtr	138.110	1,060,364,637	35	2017 4 Qtr	155.618	1,359,573,378
10	2011 3 Qtr	141.540	1,086,702,556	36	2018 1 Qtr	156.608	1,398,816,771
11	2011 4 Qtr	141.700	1,087,929,138	37	2018 2 Qtr	157.605	1,407,716,552
12	2012 1 Qtr	137.054	1,071,988,559	38	2018 3 Qtr	158.559	1,416,240,946
13	2012 2 Qtr	138.888	1,086,336,962	39	2018 4 Qtr	159.519	1,424,816,958
14	2012 3 Qtr	137.201	1,073,144,720	40	2019 1 Qtr	160.347	1,465,623,353
15	2012 4 Qtr	141.619	1,107,698,407	41	April 1-May 31 '19	161.180	987,551,149
16	2013 1 Qtr	141.817	1,145,495,906				
17	2013 2 Qtr	141.902	1,146,183,204				
18	2013 3 Qtr	141.441	1,142,458,109				
19	2013 4 Qtr	142.396	1,150,169,701				
20	2014 1 Qtr	142.360	1,175,558,246				
21	2014 2 Qtr	143.321	1,183,493,265				
22	2014 3 Qtr	143.422	1,184,321,710				
23	2014 4 Qtr	144.913	1,196,638,656				
24	2015 1 Qtr	145.389	1,220,396,576				
25	2015 2 Qtr	145.866	1,224,403,255				
26	2015 3 Qtr	146.334	1,228,332,076				

1/ 2Q09 equals 100.0, all other quarters equal Quarterly Inflation Indexes for the Hybrid Index from Table B).

2/ (Quarterly expense from Table K, Page 16, for the applicable time period x Column (3) or Column (7) ÷ Period 1: June 1 to June 30, 2009.

3/ (Quarterly 2009 expense excluding start-up costs from Table K, Page 16 x 30/92) + (Annual start-up expense from Table K, Page 16 x 30/365)

4/ (Quarterly 2009 expense excluding start-up costs from Table K, Page 16 x Column (3) ÷ Period 1: June 1 to June 30, 2009) +

(Annual start-up expense from Table K, Page 16 x 92/365 x Column (3) ÷ Period 1: June 1 to June 30, 2009).

**TABLE L : DRR - Stand-Alone Costs and Revenues**

Quarterly Revenue Requirements to Cover Total Stand-Alone Costs

Period (1)	Quarter (2)	Quarterly Requirement Road Property (3)	Quarterly Operating Expense (4)	Annual Stand-Alone Requirement (5)	Quarterly Stand-Alone Revenues (6)	Annual Stand-Alone Revenues (7)	Overpayments Or Shortfalls In Revenues (8)	PV Difference (9)	Cumulative PV Difference (10)
1	June 1-June 30 09	\$390,425,853	\$248,489,138						
2	2009 3 Qtr	1,196,665,458	832,310,430						
3	2009 4 Qtr	1,181,726,609	883,644,238	\$4,733,261,727		\$2,851,673,137	(\$1,881,588,590)	(\$1,835,473,567)	(\$1,835,473,567)
4	2010 1 Qtr	1,244,527,981	909,535,108						
5	2010 2 Qtr	1,235,848,803	928,624,207						
6	2010 3 Qtr	1,234,959,136	935,321,203						
7	2010 4 Qtr	1,256,908,713	966,625,097	8,712,350,248		5,611,230,252	(3,101,119,996)	(2,705,721,849)	(4,541,195,415)
8	2011 1 Qtr	1,256,303,456	985,912,343						
9	2011 2 Qtr	1,253,828,767	1,060,364,637						
10	2011 3 Qtr	1,282,798,161	1,086,702,556						
11	2011 4 Qtr	1,296,698,600	1,087,929,138	9,310,537,658		6,074,798,565	(3,235,739,093)	(2,508,364,908)	(7,049,560,323)
12	2012 1 Qtr	1,297,276,047	1,071,988,559						
13	2012 2 Qtr	1,327,688,482	1,086,336,962						
14	2012 3 Qtr	1,332,093,232	1,073,144,720						
15	2012 4 Qtr	1,318,622,798	1,107,698,407	9,614,849,209		6,561,639,708	(3,053,209,501)	(2,144,748,119)	(9,194,308,442)
16	2013 1 Qtr	1,338,375,188	1,145,495,906						
17	2013 2 Qtr	1,341,360,367	1,146,183,204						
18	2013 3 Qtr	1,351,769,531	1,142,458,109						
19	2013 4 Qtr	1,365,580,614	1,150,169,701	9,981,392,620		7,024,440,251	(2,956,952,369)	(1,863,245,487)	(11,057,553,929)
20	2014 1 Qtr	1,379,007,129	1,175,558,246						
21	2014 2 Qtr	1,383,932,898	1,183,493,265						
22	2014 3 Qtr	1,398,965,875	1,184,321,710						
23	2014 4 Qtr	1,413,951,614	1,196,638,656	10,315,869,392		7,444,642,042	(2,871,227,350)	(1,622,928,511)	(12,680,482,440)
24	2015 1 Qtr	1,445,857,954	1,220,396,576						
25	2015 2 Qtr	1,457,581,149	1,224,403,255						
26	2015 3 Qtr	1,469,523,139	1,228,332,076						
27	2015 4 Qtr	1,482,456,141	1,232,273,503	10,760,823,792		7,825,843,592	(2,934,980,200)	(1,488,137,436)	(14,168,619,876)
28	2016 1 Qtr	1,493,299,191	1,267,821,491						
29	2016 2 Qtr	1,504,235,478	1,278,798,117						
30	2016 3 Qtr	1,515,447,334	1,289,651,368						
31	2016 4 Qtr	1,526,636,313	1,300,596,731	11,176,486,023		8,352,982,234	(2,823,503,789)	(1,284,198,918)	(15,452,818,794)
32	2017 1 Qtr	1,538,070,813	1,335,374,789						
33	2017 2 Qtr	1,551,933,165	1,343,688,262						
34	2017 3 Qtr	1,563,697,435	1,351,607,483						
35	2017 4 Qtr	1,575,152,033	1,359,573,378	11,619,097,359		8,930,852,449	(2,688,244,910)	(1,096,778,215)	(16,549,597,009)
36	2018 1 Qtr	1,588,391,352	1,398,816,771						
37	2018 2 Qtr	1,600,931,751	1,407,716,552						
38	2018 3 Qtr	1,613,506,360	1,416,240,946						
39	2018 4 Qtr	1,626,723,307	1,424,816,958	12,077,143,996		9,547,353,370	(2,529,790,626)	(925,849,979)	(17,475,446,988)
40	2019 1 Qtr	1,640,156,038	1,465,623,353						
41	April 1-May 31 '19	1,108,690,068	987,551,149	5,202,020,608		4,254,361,039	(947,659,569)	(328,481,885)	(17,803,928,873)