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FOUNDED 1866

October 24, 2016

**By Hand-Delivery**

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Cynthia T. Brown  
 Chief, Section of Administration  
 Office of Proceedings  
 Surface Transportation Board  
 395 E Street, S.W.  
 Washington, D.C. 20423

ENTERED  
 Office of Proceedings  
 October 24, 2016  
 Part of  
 Public Record

Re: Total Petrochemicals & Refining USA, LLC v. CSX Transportation, Inc.  
 STB Docket No. NOR 42121

Dear Ms. Brown:

Enclosed for filing in the above-referenced matter is Defendant CSX Transportation, Inc.'s ("CSXT's") Technical Corrections Petition in connection with the September 14, 2016 Decision in the above-referenced proceeding ("Petition"). The filing includes:

- An original and ten copies of the Petition
- Three disks containing the Petition in searchable pdf format
- A disk containing the workpapers.

Please date-stamp the extra copies and return them to our messenger. Thank you for your assistance in this matter. If you have any questions, please contact the undersigned.

Sincerely,

Matthew J. Warren

MJW:aat  
 Enclosures  
 cc: Jeffrey O. Moreno





**BEFORE THE  
SURFACE TRANSPORTATION BOARD**

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<b>TOTAL PETROCHEMICALS &amp; REFINING USA, INC.</b>	)	
	)	
<b>Complainant,</b>	)	
	)	
<b>v.</b>	)	<b>Docket No. NOR 42121</b>
	)	
<b>CSX TRANSPORTATION, INC.</b>	)	
	)	
<b>Defendant.</b>	)	

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**TECHNICAL CORRECTIONS PETITION OF CSX TRANSPORTATION, INC.**

Defendant CSX Transportation, Inc. (“CSXT”) submits this Technical Corrections Petition to the September 14, 2016 Decision in the above-captioned case. *See* TPI v. CSXT, STB Docket No. NOR 42121 (served Sept. 14, 2016) (“*Decision*”). Consistent with the Board's direction and rules established in *Xcel Energy*, this Petition addresses only technical and computational errors. *See Public Serv. Co. of Colorado d/b/a Xcel Energy v. Burlington N & Santa Fe Ry. Co.*, STB Docket No. 42057, at 1-2 (STB served Dec. 14, 2004) (“*Xcel*”). Specifically, this Petition is addressed only to instances where the Board’s workpaper calculations do not implement the rulings and determinations set forth in the narrative text of the *Decision*.

Counsel for CSXT contacted counsel for TPI to invite TPI to join in a Joint Petition for Technical Corrections, but TPI did not indicate that it wished to join in a joint petition. CSXT notes that several of the corrections in this Petition favor CSXT (by increasing the net present value of the excess of SARR costs over revenues) and that several other corrections favor TPI (by decreasing that net present value). In the interest of accuracy, CSXT is submitting all the

technical corrections that it identified in the *Decision* workpapers and workpapers that show how to implement these corrections.

## **STAND ALONE TRAFFIC GROUP ERRORS**

1. Overflow Coal Tons from Capped Plants. The Board rejected CSXT’s argument that coal volumes in excess of a particular plant’s 85% capacity limit should not be allocated to other plants. *See Decision* at 206. However the Board’s workpapers did not implement properly the switch functionality in the TPIRR coal forecast spreadsheet. Specifically, CSXT created formulaic switches in its Reply workpapers to turn on and off the overflow allocations, but TPI’s Rebuttal workpapers, on which the Board relied, broke the cell references to this switch functionality. As a result, the Somerset plant far exceeds its cap and no volumes are re-allocated to other plants. To correct this error, make the following adjustments to STB WP “TPIRR Coal Revenue Forecast (Final) REPLY\_REB2.STB.xlsx” at Tab “Coal Revenue Forecast”:
  1. Change the formula in Cell AR6 to “=EV6-FG6+FO6” in order to reference the functionality in columns ET through FU.
  2. Copy the new formula in AR6 and paste it in Cells AS6 through AX6. Then copy and paste the formulae in AR6 through AX6 into AR7 through AX1725.
2. Coal Plant Closures. The Board accepts CSXT’s approach for forecasting coal volumes. *See Decision* at 205-06. However the *Decision* only directly addressed the two largest coal forecasting issues, *i.e.*, the application of the CSXT coal forecast to the TPIRR at the origin region-destination level and the treatment of overflow tons. As part of the adjustments that CSXT made to the coal forecasts, it adjusted the 2013 vintage forecast to account for partial coal plant closures that were publicly announced late in 2013 (CSXT

Reply at III-A-13). The Board’s workpapers do not reflect these plant closure adjustments.

To correct this error, make the following adjustments to STB WP “TPIRR Coal Revenue Forecast (Final) REPLY\_REB2.STB.xlsx” at Tab “Plant Closures”:

A. Replace the “0%” values with the percentage values below in the following cells:

		Columns		
		I	J	K
Rows	87	-51%	-51%	-51%
	93	-55%	-55%	-55%
	98	-42%	-56%	-56%
	134	-55%	-55%	-55%

**OPERATING EXPENSES ERRORS**

3. Vice President Compensation. The Board accepted the application of the Executive Vice President salary to TPIRR Vice Presidents. *See Decision* at 93. However, the workpapers did not use this compensation for three positions – Vice President – Transportation, Vice President – Equipment Management, and Vice President – Engineering. To correct this error, make the following adjustments:

- A. In STB WP “STB\_TPIRR Operating Expense\_Rebuttal\_Supplemental.xlsx,” Tab “Non Train - Operating Rebuttal,” change Cells E27 and E64 from “628,045” to “1,336,747.”
- B. In STB MOW WP “TPI STB Restated Spreadsheet.xls,” Tab “Staff and Salary,” change Cell H3 from “628,045” to “1,336,747.”

4. Board of Directors Expenses. The Board accepted TPI’s compensation for outside directors. *See Decision* at 94. But the workpapers used the compensation calculated by CSXT. To correct this error, make the following adjustments:

- A. In STB WP “STB\_TPIRR Operating Expense\_Rebuttal\_Supplemental.xlsx,” Tab “STB G&A Personnel,” change Cell C9 from “5” to “4,” insert “1” into Cell C10, change Cell E9 from “198,641” to “40,000,” insert “203,391” into Cell E10, and insert formula “=C10\*E10” into Cell F10.
- B. In STB WP “STB\_TPIRR Operating Expense\_Rebuttal\_Supplemental.xlsx,” Tab “Summary,” change the formula in Cell C236 from “='STB G&A Personnel!C9” to “='STB G&A Personnel!C9+'STB G&A Personnel!C10” and change the formula in Cell D236 from “='STB G&A Personnel!F9” to “='STB G&A Personnel!F9+'STB G&A Personnel!F10.”

## ROAD PROPERTY INVESTMENT ERRORS

5. Marion OH Interchange Tracks. The Board states that it accepts additional interchange tracks at Marion, OH. *See Decision* at 37. The Board’s workpapers, however, do not include the three interchange tracks totaling 4.3 miles at this location. To correct this error, make the following adjustment to the STB workpaper “STB - TPIRR Yard Matrix Rebuttal Grading.xlsx,” Tab “Additional Track”:
  - A. Add “=3” in Cell P42.
  - B. Add “=4.3” in Cell Q42.
6. Yard Grading Miles. The Board’s decision adds 197.0 additional yard miles to TPI’s Rebuttal quantities. *See Decision* at 39. In calculating its TPIRR yard earthwork costs, however, the Board’s workpapers erroneously use TPI’s Rebuttal yard earthwork quantities. To correct this error, make the following adjustments to STB WP “STB - TPIRR Rebuttal Grading.xlsx,” Tab “Yards”:
  - A. Change the formulas in Cells G12:G23 from referencing “TPIRR Yard Matrix Rebuttal Grading.xlsx,” Tab “TPIRR Yards,” Cells AE5:AE16 to “STB - TPIRR Yard Matrix Rebuttal Grading.xlsx,” Tab “TPIRR Yards,” Cells AE10:AE21.
  - B. Change the formulas in Cells G29:G102 from referencing “TPIRR Yard Matrix Rebuttal Grading.xlsx,” Tab “TPIRR Yards,” Cells AE20:AE93 to “STB - TPIRR Yard Matrix Rebuttal Grading.xlsx,” Tab “TPIRR Yards,” Cells AE25:AE98.

- C. Change the formulas in Cells G108:G129 from referencing “TPIRR Yard Matrix Rebuttal Grading.xlsx,” Tab “TPIRR Yards,” Cells AE97:AE118 to “STB - TPIRR Yard Matrix Rebuttal Grading.xlsx,” Tab “TPIRR Yards,” Cells AE102:AE123.
  - D. Change the formulas in Cells G135:G154 from referencing “TPIRR Yard Matrix Rebuttal Grading.xlsx,” Tab “TPIRR Yards,” Cells AE122:AE141 to “STB - TPIRR Yard Matrix Rebuttal Grading.xlsx,” Tab “TPIRR Yards,” Cells AE127:AE146.
  - E. Change the formulas in Cells G160:G182 from referencing “TPIRR Yard Matrix Rebuttal Grading.xlsx,” Tab “TPIRR Yards,” Cells AE145:AE167 to “STB - TPIRR Yard Matrix Rebuttal Grading.xlsx,” Tab “TPIRR Yards,” Cells AE150:AE172.
  - F. Change the formulas in Cells G188:G211 from referencing “TPIRR Yard Matrix Rebuttal Grading.xlsx,” Tab “TPIRR Yards,” Cells AE171:AE194 to “STB - TPIRR Yard Matrix Rebuttal Grading.xlsx,” Tab “TPIRR Yards,” Cells AE176:AE199.
  - G. Change the formulas in Cells G217:G218 from referencing “TPIRR Yard Matrix Rebuttal Grading.xlsx,” Tab “TPIRR Yards,” Cells AE198:AE199 to “STB - TPIRR Yard Matrix Rebuttal Grading.xlsx,” Tab “TPIRR Yards,” Cells AE203:AE204.
  - H. Change the formulas in Cells G224:G319 from referencing “TPIRR Yard Matrix Rebuttal Grading.xlsx,” Tab “TPIRR Yards,” Cells AE203:AE298 to “STB - TPIRR Yard Matrix Rebuttal Grading.xlsx,” Tab “TPIRR Yards,” Cells AE208:AE303.
  - I. Change the formulas in Cell G321 from “=SUM(G224:G320)” to “=SUM(G224:G320) +'[STB - TPIRR Yard Matrix Rebuttal Grading.xlsx]TPIRR Yards!\$AE\$305+'[STB - TPIRR Yard Matrix Rebuttal Grading.xlsx]TPIRR Yards!\$AE\$306+'[STB - TPIRR Yard Matrix Rebuttal Grading.xlsx]TPIRR Yards!\$AE\$307.”
7. Common Excavation Costs. The Board rejected TPI’s proposals to use the Trestle Hollow Project unit costs as a proxy for TPIRR earthwork unit costs, choosing instead to apply Means unit costs for TPIRR’s earthwork costs. *See Decision* at 138. The Board’s workpapers, however, apply Trestle Hollow Project unit costs rather than Means unit

costs for common and common adverse excavation. To correct this error, make the following adjustments to STB WP “STB - TPIRR Rebuttal Grading.xlsx,” Tab “EW Cost”:

- A. Change the formula in Cell N338 from “='Unit Costs!M37” to “='Unit Costs!M19.”
- B. Change the formula in Cell O338 from “=+'Unit Costs!M38” to “='Unit Costs!M30.”

8. Subballast Cost Indexing. The Board’s decision accepts CSXT’s unit cost for the purchase and transportation of subballast, indexed to 3Q 2010. *See Decision* at 151. However, the Board erroneously applied the Means historical index factor to subballast unit costs that the Board already indexed to 3Q 2010 levels. To correct this error, make the following adjustment to STB WP “STB - Track Construction Rebuttal.xlsx”:

- a. At Tab “SUBBALLST REPLY COST”, change Cell F19 from “.94588” to “1.”

9. Bridge Component Location Index. The Board accepts CSXT’s use of location factor adjustments for TPIRR bridge costs. *See Decision* at 158. The Board’s workpaper, however, erroneously applies a location factor adjustment for Type II superstructure beam costs derived from a Tennessee price quote that need not be adjusted and does not apply a location factor adjustment for Type 1 elastomeric pads derived from an Alabama price quote that does need to be adjusted. To correct these errors, make the following adjustments to STB WP “STB - TPI Bridge Construction Costs Rebuttal.xlsx”:

- A. At Tab “Superstructure Type II”, change Cell F6 from “79.9” to “82.3.”
- B. At Tab “Type I Elastomeric Pad”, change Cell F6 from “82.3” to “79.9.”

10. FED/Dragging Equipment Index. In its decision, the Board rejected CSXT’s proposed signals and communications cost indexing based on the AAR Rail Cost Recovery index,

in favor of the Means historical cost index. *See Decision* at 170. The Board's workpapers, however, apply CSXT's index factor to the costs for single track FEDs rather than the Means index factor consistent with the narrative. The Board's workpapers also apply CSXT's index factor to the costs for dragged equipment detectors where no index factor is required. To correct these errors, make the following adjustments to the STB workpaper "STB - TPI Signals & Communications Rebuttal.xlsx," at Tab "Components & Tabulation":

A. Change Cell N12 from "1.250" to "='Index Factor'!\$I\$6."

B. Change Cell N13 from "1.250" to "1."

11. Microwave Tower Inventory. The Board's decision accepts CSXT's microwave tower quantities and type distribution. *See Decision* at 180. However, the Board's workpapers use TPI's Rebuttal quantities. To correct this error, make the following adjustments to the STB workpaper "STB - TPI Signals & Communications Rebuttal.xlsx," at Tab "Components & Tabulation":

A. Change Cell O44 from "='Component Counts'!C42" to "2127."

B. Change Cell O47 from "='Component Counts'!C45" to "387."

C. Change Cell O58 from "=-344-(O57+O59+O60)" to "=-387-(O57+O59+O60)."

D. Change Cell O62 from "=-344-(O61+O63+O64)" to "=-387-(O61+O63+O64)."

12. Three Intermodal Terminals Added in Reply. The Board states that it rejected including facilities construction costs for three intermodal facilities added by CSXT in its Reply. *See Decision* at 183. However, the Board's workpapers included construction costs for these facilities. To exclude these costs consistent with the narrative, adjust the STB workpaper "STB - TPI Investment Tables.xlsx," Tab "Buildings & Facilities," as follows:

a. Change the existing formula in cell E6 from "=-M57+U57" to "=-M57."

- b. Change the existing formula in cell W51 from “=SUM(K51:V51)-R51” to “=SUM(K51:V51)-R51-U51.”
- c. Change the existing formula in cell W52 from “=SUM(K52:V52)-R52” to “=SUM(K52:V52)-R52-U52.”
- d. Change the existing formula in cell W53 from “=SUM(K53:V53)-R53” to “=SUM(K53:V53)-R53-U53.”
- e. Change the existing formula in cell W54 from “=SUM(K54:V54)-R54” to “=SUM(K54:V54)-R54-U54.”

### **DISCOUNTED CASH FLOW ERRORS**

13. Future PTC Wayside Radios & Antennas. The Board’s decision rejects CSXT’s future installation PTC wayside radios and antennas and PTC locomotive radios. *See Decision* at 175-176. However, the Board’s DCF model erroneously includes investment for these items. To correct this error, make the following adjustments to STB WP “STB\_Exhibit III-H-1\_Rebuttal\_Supplemental.xlsm”:
- A. At Tab “Future PTC Inputs”, change Cells C6 and C7 to “0.”
  - B. At Tab “Replacement\_PTC\_2018,” press control-j to run the PTC replacement cost macro.
  - C. At Tab “Investment SAC”, press control-e to run the solver macro that includes effects of MGA and PTC Investment.
14. Future PTC Investment. The Board’s decision states it adopts CSXT’s method for accounting for future PTC investment in the DCF. *See Decision* at 226. However, its workpaper calculations err by not including any PTC replacement investment beyond 2018. To correct this error, make the following adjustments to the STB workpaper “STB\_Exhibit III-H-1\_Rebuttal\_Supplemental.xlsm,” at Tab “Investment SAC”, as follows:
- A. Insert formulas in Cells BF72:BF78 to equal values in Cells BE72:BE78.

- B. Hit control-e to run the solver macro that includes effects of MGA and PTC Investment.
15. PTC Bonus Depreciation. The Board’s decision states it will apply bonus depreciation to future PTC investment made between 2013 and 2015. *See Decision* at 226. However, the Board’s workpapers erroneously double-count the effects of bonus depreciation by depreciating 50% of PTC investment on the “Tax Depreciation 2” Tab while also including depreciation for 100% of the same PTC investment on the “Replacement\_PTC\_2018” Tab. To correct this error, make the following adjustments to the STB workpaper “STB\_Exhibit III-H 1\_Rebuttal\_Supplemental.xlsm,” as follows:
- A. At Tab “Replacement-Depr\_PTC\_2018,” change the formula in Cell B6 from “=SUM('Rep -Fut Tax Depr\_PTC\_2018'!F15:F30)” to “=SUM('Rep -Fut Tax Depr\_PTC\_2018'!F15:F30)\*IF(OR(Replacement\_PTC\_2018!\$Y\$42=Replacement\_PTC\_2018!\$Y\$14,Replacement\_PTC\_2018!\$Y\$42=Replacement\_PTC\_2018!\$Y\$15,Replacement\_PTC\_2018!\$Y\$42=Replacement\_PTC\_2018!\$Y\$16,Replacement\_PTC\_2018!\$Y\$42=Replacement\_PTC\_2018!\$Y\$17,Replacement\_PTC\_2018!\$Y\$42=Replacement\_PTC\_2018!\$Y\$18,Replacement\_PTC\_2018!\$Y\$42=Replacement\_PTC\_2018!\$Y\$19),0.5,1).”
- B. At Tab “Replacement\_PTC\_2018,” press control-j to run the PTC replacement cost macro.
- C. At Tab “Investment SAC,” press control-e to run the solver macro that includes effects of MGA and PTC Investment.

Respectfully submitted



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Dated: October 24, 2016

## CERTIFICATE OF SERVICE

I hereby certify that on this 24th day of October, 2016, I caused a copy of the foregoing  
Technical Corrections Petition of CSX Transportation, Inc. to be served by hand-delivery upon:

Jeffrey O. Moreno  
Thompson Hine LLP  
1919 M Street, N.W., Suite 700  
Washington, D.C. 20036



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Marc A. Korman