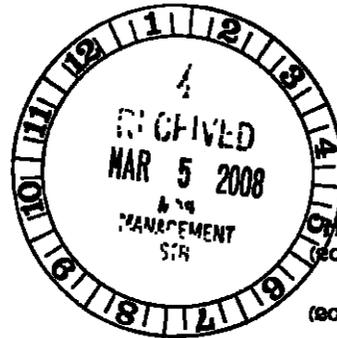


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WRITER'S E-MAIL

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March 5, 2008

221758

**VIA HAND DELIVERY**

The Honorable Anne K. Quinlan  
Acting Secretary  
Surface Transportation Board  
395 F. Street, SW  
Washington, D.C. 20423-0001

**FEE RECEIVED**  
MAR 5 - 2008  
SURFACE  
TRANSPORTATION BOARD

Re STB Docket No 42105, Dairyland Power  
Cooperative v Union Pacific Railroad Company

Dear Acting Secretary Quinlan

Enclosed for filing in the above-referenced proceeding, please find an original and ten (10) copies of the Complaint of Dairyland Power Cooperative. Also enclosed is the requisite filing fee for this Complaint.

We have included an extra copy of the filing. Please indicate receipt by time-stamping this copy and returning it with our messenger.

Sincerely,

John H. LeSeur

Enclosures

**FILED**  
MAR 5 - 2008  
SURFACE  
TRANSPORTATION BOARD

ENTERED  
Office of Proceedings  
MAR 5 - 2008  
Part of  
Public Record

ENTERED  
Office of Proceedings  
MAR 5 - 2008  
Pct of  
Public Record



**BEFORE THE  
SURFACE TRANSPORTATION BOARD**

DAIRYLAND POWER COOPERATIVE )  
3200 East Ave. South )  
La Crosse, Wisconsin 54602 )

Complainant. )

v. )

UNION PACIFIC RAILROAD COMPANY )  
1400 Douglas Street )  
Omaha, Nebraska 68179 )

Defendant. )

Docket No 42105

**FILED**

MAR 5 - 2008

**SURFACE  
TRANSPORTATION BOARD**

221758

**COMPLAINT**

**FEE RECEIVED**  
MAR 5 - 2008  
**SURFACE  
TRANSPORTATION BOARD**

OF COUNSEL:

Slover & Loftus  
1224 Seventeenth Street, N.W.  
(202) 347-7170

Dated: March 5, 2008

DAIRYLAND POWER COOPERATIVE

By: John H. LeSeur  
Peter A. Pfohl  
1224 Seventeenth Street, N.W.  
Washington, D.C 20036

Attorneys for Complainant



2 Dairyland owns and operates three coal-fired generating stations Alma, Genoa No. 3 and Madgett.

3. Defendant Union Pacific Railway Company ("UP") is a common carrier by railroad engaged in the transportation of freight in interstate commerce. UP's common carrier rail transportation practices are subject to the jurisdiction of this Board under 49 U.S.C. §10101 et seq.

4. For many years, UP provided coal transportation services for Dairyland from the Wyoming Powder River Basin ("PRB") under negotiated contracts. Pursuant to these contracts, UP transported coal from the PRB to Mississippi River terminals for movement beyond by barge to Dairyland's Alma and Genoa stations. The last such contract expired on December 31, 2005. Prior to the expiration of this contract, Dairyland sought to extend the contract, or to negotiate a new contract, for its post-2005 PRB shipments on UP. UP refused to agree to continue to provide this contract service.

5. For its post-2005 service from the PRB to Mississippi River terminals for movement beyond by barge to Dairyland's Alma and Genoa Stations, UP mandated that its service be common carrier service provided under its "Unit Train Coal Common Carrier Circular" 111 ("Circular 111"). See Exhibit A Circular 111 contains rates and service terms unilaterally imposed by UP for application to the Dairyland traffic.

6. UP subsequently represented to this Board that “UP designed Circular 111 with the intent that it would establish common carrier rates and service terms.” Union Pacific’s Brief in Response to Order to Show Cause (dated Sept. 25, 2006) at 2, submitted in Kansas City Power & Light Co. v. Union Pac. R.R. Co. (STB Docket No. 42095).

7 On October 17, 2005, Dairyland executed a Circular 111 Option 2 Volume Certificate applicable to a three year period (January 1, 2006 to December 31, 2008). See Exhibit A at 1 In its correspondence to UP accompanying the Volume Certificate, Dairyland stated, among other things, its contemporaneous understanding and intent that UP’s Circular 111 service was common carrier service

Dairyland’s execution of the Certificate is based on the specific understanding that the Circular 111 Option 2 rates and service rules are common carrier rates and practices . Dairyland reserves all legal rights with respect to common carrier ... practices, including the right to challenge the .. surcharges . in Circular 111 .. (as later supplemented or amended) before the federal Surface Transportation Board

Exhibit B at 2.

8. Commencing in January of 2006 through February of 2008, Dairyland has paid UP over \$4 5 Million in fuel surcharges for its PRB traffic moving under Circular 111. These payments have been calculated by UP using the applicable fuel surcharge items in UP’s Circular 6603-Series (“Circular 6603”), a Circular Series which is incorporated by reference in UP Circular 111. Copies of the applicable Circular

6603 fuel surcharge items are appended in Exhibit A at 14 (Item 690) and in Exhibit C at 2-3 (Item 694).

9. The fuel surcharge payments UP has collected from Dairyland under Circular 111 and Circular 6603 constitute an unreasonable practice under 49 U.S.C. §10702(2) because these payments exceed the incremental fuel cost increases UP has actually incurred in handling Dairyland's traffic since January 1, 2006 under Circular 111.

10 This Complaint covers any changes to, or modifications of, the assailed common carrier terms that UP may establish during the course of this proceeding.

11. Neither this proceeding, nor the granting of the relief requested here, will constitute a major federal action significantly affecting the quality of the human environment or the conservation of energy resources.

WHEREFORE, Complainant Dairyland requests that Defendant UP be required to answer the charges herein; that after a hearing and investigation conducted pursuant to 49 U.S.C. §10704(a)(1) and the Board's implementing regulations, the Board find the assailed fuel surcharges practices are unreasonable in violation of 49 U.S.C. §10702(2); that the Board enter an order requiring UP to cease and desist from its unlawful fuel surcharge practices; that the Board prescribe reasonable fuel surcharge practices as requested by Dairyland, that the Board award Dairyland damages, with

interest, pursuant to 49 U.S.C. §11704(b) for all unlawful fuel surcharge payments it has made to UP; and that the Board grant to Dairyland such other and further relief as the Board may deem proper on the record presented.

Respectfully submitted,

DAIRYLAND POWER COOPERATIVE

OF COUNSEL:

Slover & Loftus  
1224 Seventeenth Street, N.W  
Washington, D C. 20036

By. John H. LeSeur   
Peter A. Pfohl  
1224 Seventeenth Street, N.W.  
Washington, D.C. 20036  
(202) 347-7170

Attorneys for Complainant

Dated. March 5, 2008

**CERTIFICATE OF SERVICE**

Pursuant to 49 C.F.R. § 1111.3, I hereby certify, that I have this 5th day of March, 2008 caused to be served copies of this Complaint by overnight express courier on the senior legal officer of Defendant Union Pacific Railroad Company, as follows:

J Michael Hemmer, Esq.  
Union Pacific Railroad Company  
1400 Douglas Street  
Omaha, Nebraska 68179



---

John H. LeSeur  
An Attorney for Complainant

GENERAL RULE ITEM 400 (Revision E)  
Item Re-issued, Mar. 4, 2003 Effective Apr 1, 2003

### Circular 111 Option 2 Volume Commitment Certificate

Certificate # 111-6630-114

(Assigned by UP)

Shipper Name: Dairyland Power Cooperative

Address: PO Box 817  
La Crosse, WI 54601

Circular 111, Rate Item ~~6630-E~~ for Rate Item Destination: Calhoun and Cora Terminals  
Interchange/Connection if applicable: NA

If alternative option exists in Rate Item, Equipment Furnished by:  
Railroad \_\_\_\_\_ Shipper \_\_\_\_\_ Both \_\_\_\_\_

First Date of Volume Commitment Period: January 1, 2006  
(Must be the first day of a calendar quarter, not less than 90 days or more than 24 months after signed Certificate is submitted)

Last Date of Volume Commitment Period: December 31, 2008  
(Must be the last day of a calendar quarter, 36 or more months after commencement date, in increments of 12 months, as determined by rate columns offered in the Rate Item)

Volume Commitment Period Good-Faith Estimate of Tonnage: 2,250,000  
(If both Shipper Owned or Leased Equipment and Railroad Owned or Leased Equipment, specify volumes for each)

Volume Year 1\*  
Volume Quarter 1: 200,000  
Volume Quarter 2: 200,000  
Volume Quarter 3: 200,000  
Volume Quarter 4: 200,000

Volume Year 3\*  
Volume Quarter 9: 162,500  
Volume Quarter 10: 162,500  
Volume Quarter 11: 162,500  
Volume Quarter 12: 162,500

Volume Year 2\*  
Volume Quarter 5: 200,000  
Volume Quarter 6: 200,000  
Volume Quarter 7: 200,000  
Volume Quarter 8: 200,000

(Use attachment for additional  
Volume Years if applicable)

By signature below, Shipper acknowledges the reciprocal benefits under Option 2 terms and conditions and agrees to be bound by the applicable terms and conditions set forth in this Circular and Rate Item associated with Destination. All of the Option 2 terms and conditions set forth in Circular 111 will be held constant for the term of this Certificate, as well as the Fuel Surcharge mechanism set forth in UP Circular 6603-Series at the time of Certificate receipt. If a change has been announced but is not yet in effect, the announced term, condition and/or rate will apply.

By Shipper: Dennis M. Kachis

Title: Director of Procurement

Date: October 17, 2005

Fax to: (402) 501-0163

Attention: General Director Logistics and Demand, Union Pacific Railroad Energy Marketing and Sales

\* The volumes shown in this certificate contemplate that Union Pacific will work with Dairyland to develop a schedule that blends Utah and SPRB shipments in order to achieve overall ratability on a trainload basis over a calendar year.

Issued: August 18, 2003  
Effective: March 31, 2004  
Expiration: December 31, 2023

UP 111

Page: 1 of 1  
Name:  
Concluded on this page

 <p>UP 111</p>	<p>Item: 6630-E Item Desc: WI, Alma and Genoa, via barge Rate to River Term at Sauget and Cora, IL</p>
<p>SPRB to Cahokia &amp; Cora Terminals for furtherance by barge to Alma Generating Station, Alma, WI, and Genoa Generating Station at Genoa, WI. Dump charge not included.</p>	
<p><b>GENERAL APPLICATION RULES</b></p>	
<p>11</p>	<p>Coal</p>
<p>Prices are subject to Fuel surcharges</p> <p><b>GENERAL RULE ITEM 6630 (Revision C)</b> Minimum Volume Requirement for Option 2 rates is not less than 650,000 Net Tons annually received at Alma Generating Station, Alma, WI and Genoa Generating Station, Genoa, WI from Campbell and Converse Counties in Wyoming. The maximum volume that Railroad will transport under this item is 800,000 Net Tons annually</p>	
<p><b>GENERAL APPLICATION RULES</b></p>	
<p>1 Price applies when Dairyland Power Cooperative is the consignee (receiver)</p>	
<p><b>APPLICATION AND RATES</b></p>	
<p><b>COLUMN 1: APPLICATION RULES</b></p>	
<p>2</p>	<p>Rates are in U S dollars Per Net Ton</p> <p>Subject to a minimum lading weight of 117 tons per car</p> <p>Price applies in railroad owned or leased equipment</p> <p>Price applies if minimum tender per shipment is 15,210 Net Ton(s) Price applies if minimum tender per shipment is 1 Train</p>
<p>3</p>	<p>Rates are in U S dollars Per Net Ton</p> <p>Subject to a minimum lading weight of 117 tons per car.</p> <p>Price applies in railroad owned or leased equipment</p> <p>Price applies if minimum tender per shipment is 15,210 Net Ton(s) Price applies if minimum tender per shipment is 1 Train.</p>
<p>4</p>	<p>Rates are in U S dollars Per Net Ton</p> <p>Subject to a minimum lading weight of 117 tons per car</p> <p>Price applies in railroad owned or leased equipment</p> <p>Price applies if minimum tender per shipment is 15,210 Net Ton(s) Price applies if minimum tender per shipment is 1 Train.</p>
<p><b>ISSUED</b> October 10, 2005</p>	
<p><b>EFFECTIVE</b> January 1, 2006</p>	
<p><b>EXPIRATION</b> December 31, 2008</p>	
<p style="text-align: center;">UP 111</p> <p style="text-align: right;">Page 1 of 2 Item 6630-E Continued on next page</p>	

<b>STCC: 11 Coal</b> From: ENERGY SPRING MINES GROUP To: IL, CORA						Exp 12/31/2006 16 07	Eff 01/01/2007 Exp 12/31/2007 17 19	Eff 01/01/2008 18 39	1	UP
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**APPLICATION AND RATES**

Column	Rate Description
2	<p>Rates are in U S dollars Per Net Ton</p> <p>Subject to a minimum lading weight of 115 tons per car</p> <p>Price applies in railroad owned or leased equipment</p> <p>Price applies if minimum tender per shipment is 14,950 Net Ton(s) Price applies if minimum tender per shipment is 1 Train</p>
3	<p>Rates are in U S dollars Per Net Ton</p> <p>Subject to a minimum lading weight of 115 tons per car</p> <p>Price applies in railroad owned or leased equipment</p> <p>Price applies if minimum tender per shipment is 14,950 Net Ton(s) Price applies if minimum tender per shipment is 1 Train</p>
4	<p>Rates are in U S dollars Per Net Ton.</p> <p>Subject to a minimum lading weight of 115 tons per car</p> <p>Price applies in railroad owned or leased equipment</p> <p>Price applies if minimum tender per shipment is 14,950 Net Ton(s) Price applies if minimum tender per shipment is 1 Train.</p>



<b>STCC: 11 Coal</b> From: ENERGY SPRING MINES GROUP To: IL, SAUGET						Exp 12/31/2006 16 07	Eff 01/01/2007 Exp 12/31/2007 17 19	Eff 01/01/2008 18 39	2	UP
---	--	--	--	--	--	-------------------------	---	-------------------------	---	----

**NOTES / DESCRIPTION**

1	Free time to unload will be 6 hour(s).
2	Free time to unload will be 16 hour(s)

**APPENDIX A  
ORIGIN AND DESTINATION GROUPS**

**GROUP NAME  
LOCATIONS**

ENERGY SPRING MINES GROUP  
WY, ANTRIC ORE MINE  
WY, BELLE AYSR MINE  
WY, BLACK THUNDER MINE  
WY, BLACK THUNDER SOUTH  
WY, CABALLO MINE  
WY, CABALLO ROJO MINE  
WY, COAL CREEK MINE  
WY, CORDERO MINE  
WY, JACOBS RANCH MINE  
WY, N ANTELOPE MINE  
WY, ROCHELLE MINE

Issued October 10, 2005  
Effective January 1, 2006  
Expiration December 31, 2008

UP 111

Appendix A Page 1 of 1  
Item 6630-E



## UP CIRCULAR 111

UNIT TRAIN COAL COMMON CARRIER CIRCULAR

APPLYING ON:

UNIT COAL TRAINS FROM THE  
POWDER RIVER BASIN OF WYOMING

Governed, except as otherwise provided herein, by UFC 6000-series;  
UP 6004-series and UP 6603-series

Issued By:  
**G.H. OSLER - PUBLICATION MANAGER**  
**K.A. EYMANN - PUBLICATION MANAGER**

Union Pacific Railroad Company  
1400 Douglas Street Omaha, NE 68179

Issued August 18, 2005  
Effective March 31, 2004  
Expiration December 31, 2025

UP 111

**GENERAL RULE ITEM 1 (Revision A)**

**DEFINITION OF ITEM SYMBOLS**

- A - Add
- C - Change
- D - Decrease
- I - Increase
- X - Expire

Issued August 18, 2005  
Effective March 31, 2004  
Expiration December 31, 2025

UP 111

Page 1 of 1  
Item  
Concluded on this page

**GENERAL RULE ITEM 5 (Revision J)**

Item Re-issued Aug 18, 2005 Effective Aug 23, 2005

Symbol	Index of General Items
	Item/Version
	001A Definition of Item Symbols
C	005J Index of Items
	100E General Rules and Definitions
	200A Service/Rate Selection Option 1
	300D Service/Rate Selection Option 2
	400E Form - Shipment Volume Commitment Certificate
	<b>Index of Rate Items</b>
	<b>Ultimate Destination</b>
I	2510E CO, Pueblo, Comanche Generating Station
I	3120E IA, Muscatine, Muscatine Generating Station via Clinton, IA interchange
I	3130F IA, Cedar Rapids, Frame Creek or Sixth St Gen Stations via Cedar Rapids, IA interchange
I	3140E IA, Marshalltown, Sutherland Generating Station
I	3212B IL, Chicago, KCBX Terminal for furtherance to specified plants
I	3215C IL, Cora, for furtherance to specified plants
	3221A IL, Coffeen, Coffeen Generating Station rail direct via UP-NS
	3230B IL, Joppa, Electric Energy Inc
	3236 IL, Sommer, Edwards Plant
	3236 IL, Meredosia, Meredosia Generating Station via barge
	3236 IL, Lis, Newton Generating Station via Chicago interchange with CSX
C,I	4000A IL, Chicago and WI, Superior for furtherance to specified plants
	3310F IN, Michigan City, Michigan City Generating Station via Chicago, IL interchange
	3310F IN, Wheatfield, Schahfer Generating Station via Chicago, IL interchange
	3500A KY, Calvert City, via UP-CNIC-PAL for furtherance to specified plants
I	3620D LA, Rodemacher, Rodemacher Generating Station
	4120B MO, St Joseph, Lake Road Generating Station
	4130B MO, Sibley, Sibley Generating Station via Kansas City Interchange
	4140C MO, Ladue, Montrose Generating Station
	4150B MO, Hill Crest, Meramec Generating Station
I	4160D MO, Rush Tower, Rush Island Generating Station via barge
I	4160D MO, West Alton, Sioux Generating Station via barge
	4170B MO, West Labadie, Labadie Power Plant
I	4210E MN, St Paul, High Bridge Generating Station
	4710B NE, Grand Island, Platte Generating Station
I	4720D NE, Hastings, Whelan Generating Station
	5330A OH, Warrenton, via UP-NS-WE for furtherance to specified plants
A	5331 OH, Warrenton, via UP-NS-WE for furtherance to specified plants
A	5332 OH, Warrenton, via UP-CSX-WE for furtherance to specified plants
I	6110F TX, Smithers Lake, Parish Generating Station
I	6620C WI, Wisconsin Rapids, Kraft Div Plant
I	6620C WI, Biron, Biron Div Plant via Wisconsin Rapids Interchange
I	6620C WI, Stevens Pt, River Div Plant via Wisconsin Rapids Interchange
I	6630D WI, Alma, Alma Generating Station via barge
I	6630D WI, Genoa, Genoa Generating Station via barge
I	6640D WI, Cassville, Dewey Generating Station via barge
C	6650F WI, Pleasant Prairie and Oak Creek, Pleasant Prairie Power Plant and Oak Creek Power Plant
I	9010B Export to Spain via Cora, IL

**GENERAL RULE ITEM 100 (Revision E)**  
Item Re Issued Mar 4, 2005 Effective Apr 1, 2005

## General Rules and Definitions

For purposes of applying this Circular, the following will govern

**Commodity/Coal.** Coal, a mineral substance whose Standard Transportation Commodity Code (STCC) as set forth in the Standard Transportation Commodity Code tariff ICC STCC 6001-Series, begins with the two digits 11 This Circular does not apply to dried, enhanced or beneficiated coal (synthetic coal), having the STCC number 29-911-91

**Origin(s):** UP served coal mine origins in Campbell and Converse counties in the Southern Powder River Basin of Wyoming

**Destination(s):** Rail station capable of receiving trainloads of Coal as specified in individual Rate Items

**Shipper:** Party who is paying the freight charges under this Circular

**UP:** Union Pacific Railroad Company

**Railroad:** UP and any other rail carrier that is a party to this Circular for a joint rate to the specified Destination as listed in Items 1000-9999 of this Circular

**Rates.** Are in U S dollars and cents per net ton of 2,000 lbs Rates apply only for Coal consumed at the station(s) noted in the Item Description of the Rate Item, unless otherwise provided

**Rate Item:** Schedule of rates, charges, and terms applicable to particular Destination

**Diversions** Diversions may be permitted under certain circumstances, as provided in UP Circular 6603-Series

**Request for Service:** Transportation under this Circular will take place on the Southern Powder River Basin joint line which is subject to intense use In order to maximize the utilization of the rail lines and loading facilities for the benefit of all parties involved in transportation of Coal from Origins, UP must coordinate with its joint owner of the rail line, the mine operators, and Shippers Shipper requesting transportation under this Circular must provide a "Monthly Coal Tonnage Forecast" as provided in Item 250 of UP Circular 6603-Series That Item defines the monthly process for the submission of forecasts by both the receiver of coal and the producer(s) who will load those tons for shipment via UP This condition applies in addition to any specific notice requirements stated in this Circular

**Shipper Owned or Leased Equipment:** Means railcars owned, leased or otherwise furnished by Shipper for transportation under this Circular

**Railroad Owned or Leased Equipment** Means railcars owned, leased or otherwise furnished by Railroad for transportation under this Circular

**Equipment:** If Rate Item for Destination specifies Shipper Owned or Leased Equipment, Shipper will provide suitable equipment at no charge to Railroad Railcars shall be compatible with the loading facility and the unloading facility

All railcars used for transportation under this Circular shall be open-top hopper or gondola railcars, and shall have a marked capacity sufficient to meet the Minimum Lading Weight per Railcar as specified in the Rate Item for Destination

Loaded railcars shall not exceed the maximum gross-weight-on-rail ("GWOR") associated with the route of movement, but in no case greater than 286,000 lbs In some corridors the GWOR will be less than 286,000 lbs, in which case Railroad will note in the applicable Rate Item the maximum weight capability on the route of movement

Such railcars shall also meet or exceed the Association of American Railroads ("AAR") Interchange Rules, as amended from time to time, and shall have been inspected and approved by UP for safety in accordance with Federal Railroad Administration ("FRA") regulations, as amended from time to time

Issued August 18, 2005  
Effective March 31, 2004  
Expiration December 31, 2025

UP 111

Page 1 of 3  
Item  
Continued on next page

Transportation under this Circular is subject to the provisions of the AAR Interchange Rules, including those rules governing railcar repair, maintenance, damage, or destruction in a manner prescribed by the "Field Manual of Interchange Rules" and the "Office Manual of the Interchange Rules" adopted by and currently in use by the AAR. UP also recommends compliance with UP CMI 950302 (Car Maintenance Instructions) as outlined in Item 225 of UP 6603-Series.

**Freight Charges:** Freight charges shall be calculated based on the greater of the actual lading weight of all Coal in a train as determined by weighing pursuant to the rules in UP Circular 6603-Series, or the minimum tender per shipment weight, which is specified by Destination in the Rate Item. If Railroad owned or leased equipment is properly loaded and if solely due to Railroad, fewer than the number of railcars required to meet the minimum tender per shipment are provided to load, freight charges will be based on the actual lading weight.

**Payment:** Railroad may invoice Shipper by means of mail or electronic transfer of documentation. Shipper shall pay the amount invoiced by means of mail or electronic transfer of funds within 15 calendar days after date of invoice. Late payment and other credit terms shall be in accordance with UP's credit terms as published in Rule 62 of UFC 6000-Series. If Shipper fails to pay in accordance with the requirements or if, in UP's sole discretion, adverse credit conditions occur which could affect Shipper's ability to meet payment terms, UP may revoke credit privileges and institute any one or more of the Revocation of Credit and Other Remedies procedures outlined in UFC 6000.

**Notices:** Notices to UP should be addressed to

Attn: General Director -Logistics and Demand  
Union Pacific Railroad  
Marketing and Sales Energy Group  
Stop 1260  
1400 Douglas Street  
Omaha, NE 68179  
Fax (402) 501-0163

Notices to CNIC should be addressed to

Attn: AVP Coal Marketing  
Canadian National Railway  
234 Donald Street  
Winnipeg, MB, Canada R3C 4B4  
FAX (204) 934-7375

Notices to Norfolk Southern should be addressed to

Attn: Senior Vice President Energy & Properties  
Norfolk Southern Corp  
110 Franklin Road  
Roanoke, VA 24042-0026  
FAX (540) 985-6398

Notices to Paducah & Louisville Railway should be addressed to

Attn: AVP Marketing & Sales  
Paducah & Louisville Railway  
1500 Kentucky Ave  
Paducah, KY 42003  
FAX (270) 444-4388

Notices to Wheeling & Lake Erie Railway should be addressed to

Attn: VP Coal Marketing  
Wheeling & Lake Erie Railway  
100 East First Street  
Brewster, OH 44613  
FAX (330) 767-7021

**Other General Rules:** Shipments made under this Circular shall be subject to Circular UP 6603-series or its successors, which contains the General Loading Rules, Accessorial Charges and Fuel Surcharge for Coal Trains.

Issued August 18, 2005  
Effective March 31, 2004  
Expiration December 31, 2025

UP 111

Page 2 of 3  
Item  
Continued on next page

**Originating in Wyoming and related items**

Services or other matters not specifically addressed in this Circular shall continue to be governed by and paid for in accordance with rules, regulations, statutory provisions and provisions of the applicable tariffs, rules circulars, publications or in other applicable rate and service terms established under 49 U.S.C. Section 11101. Such rules, regulations and provisions, as amended from time to time, are herein incorporated by reference without being specifically listed. To the extent any such rules, regulations or provisions as they relate to the parties hereto are inconsistent with the terms of this Circular, the terms of this Circular shall govern. When reference is made in this Circular to tariffs, circulars, items, notes, rules, etc., such references are continuous and include revisions and supplements to and successive issues of such tariffs, circulars, items, notes, rules, etc.

In the event of any conflict between the terms of this Circular and the terms of the Rate Item, the provisions of the Rate Item shall govern.

Issued August 18, 2005  
Effective March 31, 2004  
Expiration December 31, 2025

UP 111

Page 3 of 3  
Item.  
Concluded on this case

**GENERAL RULE ITEM 300 (Revision D)**  
Item Re Issued Jun 8 2005 Effective July 1 2005

**Service/Rate Selection: Option 2**

**OPTION 2: Unit Train Shipments - Three-year or Longer Volume Commitment**

Option 2 rates in the Rate Item will apply only if Shipper agrees to be bound by the Minimum Volume Requirement as set forth in the Rate Item by executing the Volume Commitment Certificate ("Certificate") found in Item 400 of this Circular. In return for Shipper's volume commitment, Railroad commits to transport Coal loaded by Shipper and moving in Shipper Owned or Leased Equipment, subject to these terms and conditions ("Service Commitment") and to charge rates as defined by Volume Year in the Rate Item and fixed as of the date of the Certificate subject to adjustment only by fuel surcharge ("Rate Commitment"). If Shipper elects to utilize Railroad Owned or Leased Equipment, as specified in the Rate Item applicable to a Destination, Shipper will receive Rate Commitment in return for its volume commitment.

**I. Definitions and Rules**

**Volume Commitment Period:** Volume Commitment Period consists of 36 or more consecutive months during which the Minimum Volume Requirement, Rate Commitment and Service Commitment (if applicable) are in force. A Volume Commitment Period comprises three or more consecutive Volume Years or 12 or more consecutive Volume Quarters. A Volume Commitment Period may begin on the first day of any calendar quarter not less than ninety (90) days and not more than twenty-four (24) months after Shipper submits signed Certificate. The maximum duration of the Volume Commitment Period will be determined by the rate columns offered in the Rate Item.

**Volume Year:** Volume Year consists of 12 consecutive calendar months. A Volume Year also consists of four consecutive Volume Quarters. A Volume Year does not have to coincide with a calendar year, but the starting date for the first Volume Year must coincide with the first day of the Volume Commitment Period and will always begin on the first day of a calendar quarter.

**Volume Quarter:** Volume Quarter consists of three consecutive calendar months. A Volume Quarter must correspond to a calendar quarter. The starting date for the first Volume Quarter must coincide with the first day of the Volume Commitment Period.

**Certificate Submission:** When Shipper submits the Certificate electing to ship under Option 2, the Certificate must include a good faith, non-binding estimate of the amount of Coal Shipper projects shipping between Origins and Destination for each Volume Quarter during the Volume Commitment Period. The estimate will be used only for planning purposes. The completed Certificate shall be submitted to Railroad (to the address/fax number stated in the notices section of Item 100) not less than ninety (90) days and not more than twenty-four (24) months before the Volume Commitment Period begins. Certificates are not assignable. In the event of a conflict between the terms of a Certificate and the terms of a contract, the terms of the contract shall govern.

**Commitment Rate:** The rate applicable for each Volume Year for transportation subject to respective volume and service commitments ("Commitment Rate") is found in Columns 2 and above in the Rate Item applicable to Destination. The Commitment Rates shall be the rates in the Rate Item on the date Shipper submits the Certificate. No adjustments other than the fuel surcharge will apply to the Commitment Rates during the Volume Commitment Period. Subject to 20 days' notice for an increase, Railroad may adjust the Commitment Rates at any time before UP receives signed Certificate for a Destination. Shipper Certificates received after notice of a rate increase but before the rate increase becomes effective will take the increased rate.

**Minimum Volume Requirement:** Shipper choosing Option 2 commits to load for transportation a minimum volume of Coal from Campbell and Converse counties in Wyoming via the route specified in the Rate Item in each Volume Year during Volume Commitment Period. The "Minimum Volume Requirement" for a Destination is specified in the Rate Item for that Destination.

If the Minimum Volume Requirement contains a percentage requirement, Shipper shall send a written statement within thirty (30) days after the end of Volume Year to Railroad certifying (1) the total number of tons of Coal received via any transportation mode at Destination originating in Campbell and Converse Counties in Wyoming, (2) the total number of tons of Coal on which freight charges were paid under this Circular, and (3) whether the Shipper has satisfied the Minimum Volume Requirement. If Shipper fails to satisfy the Minimum Volume Requirement,

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Railroad shall be entitled to compensation in the form of Liquidated Damages as determined below

**Liquidated Damages.** If Shipper fails to meet its Minimum Volume Requirement, Shipper shall pay Railroad, not as a penalty, but as compensation for lost traffic in the form of liquidated damages, agreed upon as reasonable, and intended by the parties to be the sole and exclusive remedy for Shipper's failure to meet the Minimum Volume Requirement, an amount equal to \$3 00 for each shortfall ton

**II. Service Commitment for Moves in Shipper Owned or Leased Equipment**

**A. Service Commitment.** Railroad commits to transport for each Volume Quarter and Volume Year the amount of Coal nominated by Shipper as provided herein

Ninety (90) days before each Volume Year, Shipper will nominate in good faith the number of tons of Coal it wishes Railroad to transport to Destination for the upcoming Volume Year by month. The nominated tonnage must be ratable. A monthly nomination is ratable if it is no more than 10% greater or 10% less than one-twelfth of the aggregate Volume Year total. If Shipper uses both Shipper Owned or Leased Equipment and Railroad Owned or Leased Equipment, this nomination shall specify the tons designated for transportation in Shipper Owned or Leased Equipment. The "Service Commitment Volume" will be the lesser of (a) the aggregate of the nominated tons for the Destination for each Volume Quarter or (b) the aggregate of tons nominated for the Destination in the Monthly Coal Tonnage Forecast Process specified in UP Circular 6603-Series, Item 250, for the same Volume Quarter. The Service Commitment applies only to those tons committed by Shipper as determined by the Service Commitment Volume.

**B. Cycle Time Estimate.** Cycle Time Estimate is the Railroad round-trip transit time between Origin and Destination, and is provided in the Rate Item for each Destination requiring Shipper Owned or Leased Equipment as a good faith estimate for equipment planning purposes only. Cycle Time Estimate does not include loading or unloading time, time elapsed for delays caused by events of Force Majeure, or time elapsed for delays caused or requested by Shipper or Shipper's mine operator. Actual cycle time will vary and may be above or below the Cycle Time Estimate. If the Rate applies only to an interchange with another rail carrier, the Cycle Time Estimate is for loaded and empty time on UP only.

**C. Shipper Owned or Leased Equipment:** If the Rate Item for the Destination specifies Shipper Owned or Leased Equipment, Shipper and Railroad will mutually agree on the number of transets Shipper will provide to transport the Service Commitment Volume. Railroad reserves the right to limit the number of transets in service whenever, in Railroad's sole judgment, the addition of more transets will impair fluidity or would not materially increase the amount of Coal delivered to Destination. Railroad limitation on the number of transets below the number mutually agreed-upon with Shipper shall not relieve Railroad of its Service Commitment except as otherwise provided in D. Service Commitment Performance or IV. Force Majeure.

**D. Service Commitment Performance:** If Shipper loads Coal at a ratable monthly pace and Railroad fails to transport Coal made available for timely loading by Shipper or Shipper's mine operator for reasons attributable solely to the Railroad, Shipper has the right to notify Railroad of its calculation of tons required to meet the Service Commitment Volume for the previous Volume Quarter. Such notification must be made no later than fifteen (15) business days after the term of the Volume Quarter has expired.

Railroad shall not be responsible for tonnage shortfalls attributable to the following

1. Delays resulting either directly or indirectly from events, actions, and/or requests attributable to Shipper or Shipper's mine operator,
2. Delays in loading or unloading (except where such delays are caused in substantial part by Railroad),
3. Inability of Shipper's mine operator to load Coal or inability at Destination to unload Coal,
4. Insufficient supply of Shipper Owned or Leased Equipment, except when Railroad limits the number of transets furnished by Shipper,
5. Force Majeure events affecting either party, or
6. Limitation on access to trackage not within Railroad's sole control, provided that Railroad make reasonable efforts to regain access or to remove limitation.

In addition, if Rate Item applies only to the UP portion of an interline route, UP shall not be responsible for delays attributable to connecting carrier's inability to accept trains at interchange or delays on the connecting carrier's portion of the route. If Shipper fails to meet its Minimum Volume Requirement due to Railroad's service failure, or Railroad's limitation of transets furnished by Shipper, Shipper's Minimum Volume Requirement will be adjusted downward for such failures.

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Once Railroad receives notice of Shipper's calculation of tons required to meet the Service Commitment Volume, Railroad shall have fifteen (15) business days to respond. When Shipper and Railroad have agreed in writing upon the amount of Coal required to satisfy the Service Commitment Volume ("Shortfall Volume") Railroad shall have ninety (90) days to satisfy the Service Commitment by any means deemed appropriate by the Railroad, including the use of Railroad Owned or Leased Equipment at the same freight rate in effect during Volume Quarter when shortfall arose. Shipper shall work with Railroad to ensure availability of Coal at Origins to load Shortfall Volume tons. If Railroad transports more Coal to a Destination than the Service Commitment Volume during a Volume Quarter, that extra Coal shall be credited against any Shortfall Volumes occurring in the following four Volume Quarters. Coal transported during a Volume Quarter using additional resources provided by Railroad shall be credited against any Shortfall Volumes for the previous Volume Quarter or credited toward future Shortfall Volumes, if any. If Shortfall Volume occurs in a Volume Quarter and Shortfall Volume has not been cured by application of credits for prior surplus deliveries or deliveries in the 90-day period following agreement on Shortfall Volume, Shipper shall be entitled to appropriate compensation in the form of Liquidated Damages as determined below.

**E. Liquidated Damages:** If Railroad fails to meet its Service Commitment, Railroad shall pay Shipper, not as a penalty, but as compensation for obtaining an alternate fuel supply or any other damages, in the form of liquidated damages, agreed upon as reasonable, and intended by the parties to be Shipper's sole and exclusive remedy for Railroad's failure to meet its Service Commitment, an amount equal to \$3.00 for each un-cured shortfall ton. Shipper shall invoice Railroad by means of mail or electronic transfer of documentation. Railroad shall pay the amount invoiced by means of mail or electronic transfer of funds within 15 calendar days after date of invoice.

### **III. Service for Moves in Railroad Owned or Leased Equipment**

**Annual Volume Estimate:** Not later than October 1 each year, Shipper shall provide to Railroad an estimate of tons of Coal anticipated to be loaded in the next calendar year by month ("Annual Volume Estimate"). The nominated tonnage must be ratable. A monthly nomination is ratable if it is no more than 10% greater or 10% less than one-twelfth of the aggregate Volume Year total.

**Service:** Railroad shall use reasonable efforts to transport Coal based on the circumstances when the transportation occurs. Railroad shall not be responsible for delays due to weather, track maintenance or construction, equipment failures, embargoes, Acts of God, labor activities, including strikes or events outside the control of the Railroad. Railroad intends to use reasonable efforts to meet the lesser of the Annual Volume Estimate for a Destination or the aggregate annual total of the Monthly Coal Tonnage Forecast furnished by the Shipper, but has no binding obligation to comply with these planning estimates. In no event will Railroad's responsibility for damages exceed the value of Coal at Origin. If Shipper fails to meet its Minimum Volume Requirement due solely to Railroad's service failure, Shipper's Minimum Volume Commitment for that Volume Year will be adjusted downward for such failure.

### **IV. Force Majeure:**

If any party is delayed in or prevented from the performance of its obligations under this Circular for at least twenty-four (24) consecutive hours, beginning from the time disability actually commenced, as a result of an event beyond its control, including an Act of God, accumulation of snow and/or ice or other adverse weather conditions sufficient to impede the movement of trains or train crews, war, insurrection, riot or other civil disturbance, explosion, fire, derailment, destruction of or damage to right-of-way, including bridges, strike, lockout or other labor disturbance, the failure of the Mine Operator to load requested Coal ("Force Majeure"), such party's obligations and those of such other parties affected thereby shall be suspended for the duration of such Force Majeure, PROVIDED, HOWEVER, that the parties shall make all reasonable efforts to continue to meet their obligations for the duration of the Force Majeure.

In order for a declaration of Force Majeure to be effective, the party experiencing the Force Majeure event shall notify in a timely fashion and in writing all other parties as to the nature of the Force Majeure, when it began, and its projected duration. Such party also shall notify in a timely fashion and in writing all other parties upon the cessation of the Force Majeure.

The parties shall make all reasonable efforts to eliminate or abate such Force Majeure and resume their obligations expeditiously upon its cessation, except that no party hereto will be required to acquiesce to an unfavorable settlement of any labor dispute.

The suspension of any obligations owing to a Force Majeure shall neither cause the Term of any Volume Commitment Certificate to be extended nor affect any rights accrued under any Volume Commitment Certificate prior to the Force Majeure. The Minimum Volume Requirement shall be reduced by 1/365th and the Service Commitment Volume shall be reduced by 1/90th for each continuous 24-hour period during which the Force Majeure event existed.

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**GENERAL RULE ITEM 690** ( Effective Date 01/01/2005 Original Issue Date 11/04/2004 )

**FUEL SURCHARGE**

In the event the average price of Retail On-Highway Diesel Fuel (as set forth below, the "HDF Average Price"), calculated monthly based on prices reported on the U S Department of Energy Website (eia doe gov) equals or exceeds \$1.35 per gallon, UP will apply a fuel surcharge to linehaul freight charges referencing or subject to this authority. The fuel surcharge shall be applied to the linehaul freight charge for each shipment having a bill of lading dated on or after the 1st day of the second calendar month following the calendar month of a given HDF Average Price (e.g., a fuel surcharge applied beginning July 1 would be based on May's HDF Average Price).

The HDF Average Price for a given calendar month will be determined by adding the weekly Retail On-Highway Diesel Fuel prices reported on the U S Department of Energy Website (eia doe gov), and dividing the result by the number of weeks so reported. The result will be rounded to the nearest cent. If the Department of Energy ceases reporting of the price of Retail On-Highway Diesel Fuel, UP will employ a suitable substitute source of price or measure. The following schedule reflects the applicable fuel surcharges within the HDF Average Price ranges noted below.

HDF Average Price (Per Gallon)	Fuel Surcharge (Percentage)
\$0.00 to \$1.349	0.00%
\$1.35 to \$1.399	1.50%
\$1.40 to \$1.449	2.00%
\$1.45 to \$1.499	2.50%
\$1.50 to \$1.549	3.00%
\$1.55 to \$1.599	3.50%
\$1.60 to \$1.649	4.25%
\$1.65 to \$1.699	5.00%
\$1.70 to \$1.749	5.75%
\$1.75 to \$1.799	6.50%
\$1.80 to \$1.849	7.25%
\$1.85 to \$1.899	8.00%
\$1.90 to \$1.949	8.75%
\$1.95 to \$1.999	9.50%
\$2.00 to \$2.049	10.25%
Each \$0.05 per gallon increase thereafter	Additional 0.75%

In no case will freight charge(s) be reduced below the Base Freight Charge(s) as a result of the application of this item, nor will application or removal of the fuel surcharge be retroactive.

The surcharge in this item applies to those agreements that indicate they are subject to this circular by reference unless that same agreement contains either a fuel surcharge or a specific rate adjustment mechanism that is tied to the RCAFU or other index that contains a fuel component.



October 17, 2005

Mr. Andy Schroder  
General Director Logistics and Demand  
Union Pacific Railroad  
Energy Marketing and Sales  
STOP 1260  
1400 Douglas Street  
Omaha, NE 68179

Dear Andy

Enclosed is a Union Pacific Circular 111 Option 2 Volume Certificate for Rate Item 6630-E (WI, Alma and Genoa, via barge Rate to River Term. at Saugat and Cora, IL), which has been executed on behalf of Dairyland Power Cooperative

Dairyland is submitting this Certificate because it is without a reasonable alternative arrangement for the transportation of coal that is critical to the operation of its Alma and Genoa Generating Stations after December 31, 2005. Currently, the subject tonnage is transported pursuant to a contract between Dairyland and UP. Dairyland's stated preference was and is to extend that contract or negotiate a new one to cover post-2005 shipments. However, UP has refused to entertain this option.

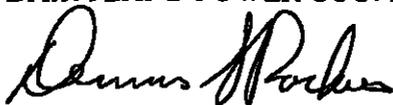
The Circular 111 rates as published are not the product of any agreement between Dairyland and UP. These rates were set unilaterally by UP, and Dairyland does not consider them to be reasonable as applied to our unit train movements. Contrary to the language which UP has included in its form Certificate, Dairyland does not agree that the Option 2 terms and conditions offer reciprocal benefits to Dairyland. Rather, Dairyland has executed the Certificate only because UP has required it as a condition of obtaining essential rail service.

Dairyland also does not agree that the service and other non-economic terms of Circular 111 and Item 6630-E are reasonable from the standpoint of meeting Dairyland's transportation requirements, which are well known to UP based upon prior experience. The requirement that Dairyland tender coal on a "ratable" basis over 12 calendar months (Circular 111, Item 300 (III)) is incompatible with the barge delivery services required by Dairyland, as the annual winter closure of the Upper Mississippi River effectively precludes scheduling shipments from late October through February. Likewise, the reference in Item 6630-E to an annual minimum volume of 650,000 suggests a level of service that will likely exceed Dairyland's PRB coal transportation needs in 2008, as discussed recently with Jeff Maier and Bill Stahlheber.

Mr Andy Schroder  
October 17, 2005  
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Dairyland's execution of the Certificate is based on the specific understanding that the Circular 111 Option 2 rates and service rules are common carrier rates and practices, and is not to be construed as evidence of any intent by Dairyland to be bound to a contract with UP based on those rates and terms. Dairyland reserves all legal rights with respect to common carrier rates and practices, including the right to challenge the rates, surcharges and other service terms in Circular 111 and Item 6630-E (as later supplemented or amended) before the federal Surface Transportation Board.

Sincerely,  
DAIRYLAND POWER COOPERATIVE

A handwritten signature in black ink, appearing to read "Dennis Rackers", written in a cursive style.

Dennis Rackers  
Director of Procurement

GENERAL RULE ITEM 400 (Revision F)  
Item Re-Issued Mar 4, 2005 Effective Apr 1, 2005

### Circular 111 Option 2 Volume Commitment Certificate

Certificate # \_\_\_\_\_  
(Assigned by UP)

Shipper Name Dairyland Power Cooperative  
Address PO Box 817  
La Crosse, WI 54601

Circular 111, Rate Item 6630-E for Rate Item Destination. Cahokia and Cora Terminals  
Interchange/Connection if applicable: NA

If alternative option exists in Rate Item, Equipment Furnished by  
Railroad \_\_\_\_\_ Shipper \_\_\_\_\_ Both \_\_\_\_\_

First Date of Volume Commitment Period January 1, 2006  
(Must be the first day of a calendar quarter, not less than 90 days or more than 24 months after signed Certificate is submitted)

Last Date of Volume Commitment Period. December 31, 2008  
(Must be the last day of a calendar quarter, 36 or more months after commencement date, in increments of 12 months as determined by rate columns offered in the Rate Item)

Volume Commitment Period Good-Faith Estimate of Tonnage 2,250,000  
(If both Shipper Owned or Leased Equipment and Railroad Owned or Leased Equipment, specify volumes for each)

Volume Year 1\*

Volume Quarter 1 200,000  
Volume Quarter 2: 200,000  
Volume Quarter 3: 200,000  
Volume Quarter 4 200,000

Volume Year 3\*

Volume Quarter 9 162,500  
Volume Quarter 10 162,500  
Volume Quarter 11 162,500  
Volume Quarter 12 162,500

Volume Year 2\*

Volume Quarter 5 200,000  
Volume Quarter 6 200,000  
Volume Quarter 7. 200,000  
Volume Quarter 8 200,000

(Use attachment for additional  
Volume Years if applicable)

By signature below, Shipper acknowledges the reciprocal benefits under Option 2 terms and conditions and agrees to be bound by the applicable terms and conditions set forth in this Circular and Rate Item associated with Destination. All of the Option 2 terms and conditions set forth in Circular 111 will be held constant for the term of this Certificate, as well as the Fuel Surcharge mechanism set forth in UP Circular 6603-Series at the time of Certificate receipt. If a change has been announced but is not yet in effect, the announced terms, condition and/or rate will apply.

By Shipper: Dennis Roach

Title Director of Procurement

Date October 17, 2005

Fax to: (402) 501-0163

Attention General Director Logistics and Demand, Union Pacific Railroad Energy Marketing and Sales

\* The volumes shown in this certificate contemplate that Union Pacific will work with Dairyland to develop a schedule that blends Utah and SPRB shipments in order to achieve overall ratability on a trainload basis over a calendar year.

Issued August 18, 2005  
Effective March 31, 2004  
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Annual Volume Estimate  
Dairyland Power Cooperative  
Dennis Rackers  
October 17, 2005

Union Pacific Railway  
Circular 111 Item 6630-E

**Annual Volume Estimate  
Shipments to Dairyland in 2006**

January	66,667
February	66,667
March	66,667
April	66,667
May	66,667
June	66,667
July	66,667
August	66,667
September	66,667
October	66,667
November	66,667
December	66,667
<b>TOTAL</b>	<b>800,000</b>

The volumes shown above contemplate that Union Pacific will work with Dairyland to develop a schedule that blends Utah and SPRB shipments in order to achieve overall ratability on a trainload basis over a calendar year



## **UP CIRCULAR 6603-C**

**Applying on Loading, Handling, Accessorial Charges,  
Fuel Surcharges and  
General Rules for Coal Trains Originating in Wyoming**

**Governed except as otherwise provided herein, by UFC 6000, OPSL 6000,  
UP 6004, and UP 6007-series**

**Issued By  
G. H. Osler - Manager Pricing Services  
K. A. Eymann - Manager Pricing Services**

**Union Pacific Railroad Company  
1400 Douglas Street Omaha, NE 68179**

**Issued      March 3, 2006  
Effective    March 15, 2006**

**UP 6603-C**



UP 6603-C

Item: 694-A  
FUEL SURCHARGE MILEAGE BASED

**ENERGY SPRB MILEAGE HDF  
FUEL SURCHARGE TABLE**

In the event the average price of Retail On-Highway Diesel Fuel (as set forth below, the "HDF Average Price"), calculated monthly based on prices reported on the U S Department of Energy Website (eia doe gov) equals or exceeds \$1.35 per gallon, UP will add a mileage-based fuel surcharge to freight charges referencing or subject to this authority. The fuel surcharge shall be applied for each shipment having a bill of lading dated on or after the 1st day of the second calendar month following the calendar month of a given HDF Average Price (e.g., a fuel surcharge applied beginning July 1 would be based on May's HDF Average Price).

The HDF Average Price for a given calendar month will be determined by adding the weekly Retail On-Highway Diesel Fuel prices reported on the U S Department of Energy Website (eia doe gov), and dividing the result by the number of weeks so reported. The result will be rounded to the nearest tenth of a cent. If the Department of Energy ceases reporting of the price of Retail On-Highway Diesel Fuel, UP will employ a suitable substitute source of price or measure. Schedule reflects the applicable fuel surcharges within the HDF Average Price ranges noted below.

HDF Average Price (Per Gallon)	Fuel Surcharge (Cents Per Mile Per Car)
\$0.00 to \$1.349	\$0.00
\$1.35 to \$1.409	\$0.02
\$1.41 to \$1.469	\$0.03
\$1.47 to \$1.529	\$0.04
\$1.53 to \$1.589	\$0.05
\$1.59 to \$1.649	\$0.06
\$1.65 to \$1.709	\$0.07
\$1.71 to \$1.769	\$0.08
\$1.77 to \$1.829	\$0.09
\$1.83 to \$1.889	\$0.10
\$1.89 to \$1.949	\$0.11
\$1.95 to \$2.009	\$0.12
\$2.01 to \$2.069	\$0.13
\$2.07 to \$2.129	\$0.14
\$2.13 to \$2.189	\$0.15
\$2.19 to \$2.249	\$0.16
\$2.25 to \$2.309	\$0.17
\$2.31 to \$2.369	\$0.18
\$2.37 to \$2.429	\$0.19
\$2.43 to \$2.489	\$0.20
\$2.49 to \$2.549	\$0.21
\$2.55 to \$2.609	\$0.22
\$2.61 to \$2.669	\$0.23
\$2.67 to \$2.729	\$0.24
\$2.73 to \$2.789	\$0.25
\$2.79 to \$2.849	\$0.26

Issued September 7, 2007  
Effective October 1, 2007

UP 6603-C

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<b>\$2.85 to \$2.909</b>		<b>\$0.27</b>
<b>\$2.91 to \$2.969</b>		<b>\$0.28</b>
<b>\$2.97 to \$3.029</b>		<b>\$0.29</b>
<b>\$3.03 to \$3.089</b>		<b>\$0.30</b>
<b>Each \$0.06 per gallon increase thereafter</b>		<b>Additional 1 cent per mile</b>

[c] ALK Technologies' PC\*Miler Rail Fuel Surcharge (FNII), as amended from time-to-time, will be used to calculate total miles. If interline price routing is involved, mileages will be calculated via the revenue route junction(s) of the price used to rate the shipment.

In no case will freight charge(s) be reduced below the Base Freight Charge(s) as a result of the application of this item, nor will application or removal of the fuel surcharge be retroactive.