

Road Initials: CSXT Year: 2012

250. CONSOLIDATED INFORMATION FOR REVENUE ADEQUACY DETERMINATION			
(Dollars in Thousands)			
Line No.	Item (a)	Beginning of year (b)	End of year (c)
<b>Adjusted Net Railway Operating Income For Reporting Entity</b>			
1	Combined/Consolidated Net Railway Operating Income for Reporting Entity	N/A	1,757,154
2	Add: Interest Income from Working Capital Allowance - Cash Portion		16
3	Income Taxes Associated with Non-Rail Income and Deductions		18,257
4	Gain or (loss) from transfer/reclassification to non-rail status (net of income taxes)		31,062
5	Adjusted Net Railway Operating Income (Lines 1, 2, 3, and 4)		1,806,489
<b>Adjusted Investment in Railroad Property for Reporting Entity</b>			
6	Combined Investment in Railroad Property Used in Transportation Service	23,920,332	24,470,837
7	Less: Interest During Construction	-	-
8	Other Elements of Investment (if debit balance)	-	-
9	Add: Net Rail Assets of Rail-Related Affiliates	-	-
10	Working Capital Allowance	239,548	289,227
11	Net Investment Base Before Adjustment for Deferred Taxes (Lines 6 through 10)	24,159,880	24,760,064
12	Less: Accumulated Deferred Income Tax Credits	7,576,556	7,924,005
13	Net Investment Base (Line 11 - 12)	16,583,324	16,836,059

In the space provided, please list all railroads and rail-related affiliated companies which are being reported in this consolidation, along with the nature of the business for each company.

Name of Affiliate	Nature of Business
1 Allegheny and Western Railway Company	Transportation
2 Atlantic Land and Improvement Company, The	Real estate
3 Baltimore and Cumberland Valley Rail Road Extension Company, The	Transportation
4 Baltimore and Ohio Chicago Terminal Railroad Company, The	Transportation
5 Buffalo, Rochester and Pittsburg Railway Company	Transportation
6 Carrollton Railroad , The	Transportation
7 CSX Capital Management, Inc.	Portfolio management
8 CSX Realty Development, LLC	Real estate
9 CSX Transportation International, Inc.	Sales agency
10 CSX Transportation Terminals, Inc.	Holding company
11 CSXT Intellectual Property Corporation	Intellectual property
12 Dayton and Michigan Railroad Company	Transportation
13 DOCP Holdings, Inc.	Holding company
14 Energy Resources and Logistics, Inc.	Co-generation
15 FGMR, Inc.	Equipment financing
16 Fruit Growers Dispatch, Inc.	Transportation
17 Fruit Growers Express Company	Railroad equipment
18 Gainesville Midland Railroad Company	Transportation
19 Georgetown and High Line Railway Company, LLC	Real estate
20 Harborshore at Boca Bay Development Corporation	Real estate development
21 Holston Land Company, Incorporated	Real estate
22 Home Avenue Railroad Company, The	Transportation
23 L&N Investment Corporation	Diversified
24 Lake Erie and Detroit River Railway Company, The	Transportation
25 Lakefront Dock and Railroad Terminal Company	Transportation
26 Mahoning State Line Railroad Company, The	Transportation
27 Motor Carrier Services Corp	Real Estate
28 North Charleston Terminal Company	Transportation
29 NYC Pere Marquette, LLC	Holding company
30 Rail Wagons, Inc.	Equipment financing
31 RDC Projects, LLC	Real estate
<i>Continued on next page</i>	

**250. CONSOLIDATED INFORMATION FOR REVENUE ADEQUACY DETERMINATION - Continued**

Name of Affiliate	Nature of Business
32 Real Estate and Improvement Company of Baltimore City, The	Real estate
33 Richmond, Fredericksburg and Potomac Railway Company	Transportation
34 Seaboard Coast Line Railway Supplies, Inc.	Stockpiling Material
35 St. Lawrence & Adirondack Railway Company	Rail property lessor
36 Staten Island - Arlington, Inc.	Real estate
37 Staten Island Railroad Corporation, The	Transportation
38 Three Rivers Railway Company, The	Transportation
39 Toledo Ore Railroad Company, The	Transportation
40 TransKentucky Transportation Railroad, Inc.	Transportation

**NOTICE**

The following changes occurred in 2012:

Mergers:

- ATJ Ventures, LLC. was merged into CSX Transportation, Inc.
- NOLA Natural Resources, LLC. was merged into CSX Transportation, Inc.
- Rail Wagons - II, Inc. was merged into Rail Wagons, Inc

Removed from consolidated R-1 reporting and treated like an equity method investment which is consistent with Ex Parte No. 634.

- Midland United Corporation
- The Indiana Rail Road Company
- Four Rivers Transportation, Inc. renamed to P&L Transportation, Inc.
- Four Rivers Finance Co., Inc.
- Appalachian and Ohio Railroad, Inc.
- Evansville Western Railway, Inc.
- Paducah and Louisville Railway, Inc.
- WK Land Holdings, Inc.

**250. CONSOLIDATED INFORMATION FOR REVENUE ADEQUACY DETERMINATION - PART B**

## Determination of Nonrail Taxes

This table is designed to facilitate the calculation of taxes that are not rail-related, the amount to be reported on Schedule 250, Line 3.

**PART I - DETERMINE TAXES ON NONRAILROAD INCOME FOR ALL COMBINED/ CONSOLIDATED RAILROADS (EXCLUDES ALL RAIL-RELATED AFFILIATES)**

(1) Determine Combined/Consolidated Adjusted income from continuing operations (before taxes) for all affiliated railroads (all classes). Do not include rail-related affiliates that are not railroads in this part. This represents the total combined/consolidated amounts for all items listed below for all railroads in the reporting entity.	
Income from continuing operations (before taxes) should be the equivalent of the numbers contained in the R-1 Schedule 210, Line 46 adjusted to include all railroads in the reporting entity.	2,830,294
- Equity in undistributed earnings, which represents the total of Schedule 210, Line 26 for all railroads in the reporting entity.	7,239
- Dividends in affiliated companies. (If the affiliate is 80% or more controlled by the parent railroad, then deduct 100% of the affiliate's dividend. If the affiliate is less than 80% controlled by the parent railroad, then deduct 80% of the affiliate's dividend)	27,574
= Adjusted income from continuing operations (before taxes). This represents "A" in item (3) below.	2,795,481
(2) Determine Combined/Consolidated Adjusted Pre-tax NROI for all railroads in the reporting entity Combined/Consolidated Pre-tax NROI for the entire entity, which equals the amount shown on Schedule 250, Line 1.	
Net Railroad Operating Income (Loss) - Schedule 210, Line 67	1,757,154
+ Current provisions for taxes, which represents the consolidated amounts of Schedule 210, Line 51 for all railroads in the reporting entity. (This figure includes both Account 556, Income Taxes on Ordinary Income and Account 557, Provisions for Deferred Taxes)	1,015,784
+ Interest income on working capital allowance, which represents the total consolidated Interest income relative to the working capital component of the net investment base and should equal the amount shown in Schedule 250, Line 2 for all railroads in the reporting entity.	16
+ Release of premiums on funded debt, which represents the consolidated total of release of premium on funded debt as shown on Schedule 210, Line 22 for all railroads in the reporting entity.	5,326
- Total fixed charges, which represents the consolidated total of fixed charges as shown on Schedule 210, Line 42 for all railroads in the reporting entity	71,167
- Railroad-related income from affiliates (other than railroads) which was included in consolidated NROI (Schedule 250, Line 1)	-
= Combined/Consolidated Pre-Tax Adjusted NROI for all railroads. This represents "B" in Item (3) below.	2,707,113
(3) Calculate the railroad-related tax ratio: "B/A"	96.84
(4) Compute the nonrailroad-related complement: (1 - Railroad-related income ratio) which equals the Nonrailroad-related tax ratio	3.16
(5) Compute the nonrailroad portion of the total provisions for taxes. This equals: The Nonrailroad-related tax ratio (Item (4) above) times the total current income taxes accrued on ordinary income (Account 556) which represents the consolidated amounts of Schedule 210, Lines 47, 48, and 49 for all railroads in the reporting entity.	18,257

**PART II - DETERMINE NONRAILROAD-RELATED TAXES FOR RAIL-RELATED AFFILIATES (EXCLUDES ALL AFFILIATED RAILROADS)**

(6) This is calculated by dividing the nonrailroad-related income for combined rail-related affiliates by the total pre-tax net income for all combined rail-related affiliates and multiplying this result by the total taxes (current provision plus deferred). This equals the taxes on nonrailroad income for all affiliated companies.	-
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**PART III - DETERMINE TOTAL NONRAILROAD-RELATED TAXES**

(7) This is determined as follows:	
Total income taxes on nonrailroad-related income for all railroads in the reporting entity (Item 5 above)	18,257
+ Total Nonrailroad-related taxes for rail-related affiliates (Item 6 above)	-
Equals Total nonrailroad-related taxes (This amount should be transferred to Schedule 250, Part A, Line 3)	18,257