

Road Initials : GTC Year: 2009

250. CONSOLIDATED INFORMATION FOR REVENUE ADEQUACY DETERMINATION
(DOLLARS IN THOUSANDS)

Line No.	Item (a)	Beginning of year (b)	End of year (c)	Line No.
Adjusted Net Railway Operating Income For Reporting Entity				
1	Combined / Consolidated Net Railway Operating Income For Reporting Entity	N/A	374,260	1
2	Add: Interest Income from Working Capital Allowance - Cash Portion		-	2
3	Income Taxes Associated with Non-Rail Income and Deductions		2,362	3
4	Gain or (Loss) from Transfer / Reclassification to Nonrail-Status (Net of Income Taxes)		950	4
5	Adjusted Net Railway Operating Income (Lines 1,2,3 & 4)		377,572	5
Adjusted Investment in Railroad Property for Reporting Entity				
6	Combined Investment in Railroad Property Used in Transportation Service	8,705,976	9,194,395	6
7	Less: Interest During Construction	2,113	2,113	7
8	Other Elements of Investment (if debit balance)	1,863	1,863	8
9	Add: Net Rail Assets of Rail-Related Affiliates	43,809	41,957	9
10	Working Capital Allowance	43,651	41,582	10
11	Net Investment Base Before Adjustments for Deferred Taxes (Lines 6 through 10)	8,789,460	9,273,958	11
12	Less: Accumulated Deferred Income Tax Credits	2,727,841	2,825,863	12
13	Net Investment Base (Lines 11-12)	6,061,619	6,448,095	13

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

Name of Affiliate

Nature of Business

Grand Trunk Corporation	Railroad-related
Grand Trunk Western Railroad Company	Railroad
Duluth, Winnipeg and Pacific Railway Company	Railroad
Illinois Central Corporation	Railroad-related
Illinois Central Railroad Company	Railroad
Mississippi Valley Corporation	Railroad-related
Waterloo Railway Company	Railroad
CN WorldWide North America (USA) Inc.	Railroad-related
IC Financial Services Corporation	Rail Equipment Leasing
IC Leasing Corporation I	Rail Equipment Leasing
IC Leasing Corporation II	Rail Equipment Leasing
IC Leasing Corporation III	Rail Equipment Leasing
CN WorldWide Distribution Services (USA) Inc.	Railroad-related
Stellar Distribution Services Inc.	Railroad-related
CCP Holdings Inc.	Railroad-related
Chicago Central and Pacific Railroad Company	Railroad
Cedar River Railroad Company	Railroad
Iron Horse Properties Inc.	Railroad-related
Missouri River Bridge Company	Bridge operator, Railroad-related
Wisconsin Central Transportation Corporation	Railroad-related
Wisconsin Central Ltd.	Railroad
Wisconsin Chicago Link Ltd.	Railroad
Sault Ste. Marie Bridge Company	Railroad
B&LE Holdings Corp.	Railroad-related
Bessemer and Lake Erie Railroad	Railroad
DMIR Holdings Corp.	Railroad-related
Duluth, Missabe and Iron Range Railway Company	Railroad
P&CD Holdings Corp.	Railroad-related
The Pittsburgh and Conneaut Dock Company	Railroad-related
GLT Management Company	Railroad-related
Cuyahoga Dock, Inc.	Railroad-related
CN WorldWide Ground (USA) Inc.	Railroad-related
CN Custom Brokerage Services (USA) Inc.	Railroad-related
Elgin, Joliet and Eastern Railway Company	Railroad
CN Financial Services II (Nova Scotia) Corporation	Financing, Railroad-related
CN Financial Services III, LLC	Financing, Railroad-related
CN Financial Services V, LLC	Financing, Railroad-related

NOTICE

The following changes occurred in 2009:
 EJ&E West Company was purchased by Grand Trunk Corporation on January 31, 2009
 EJ&E West Company changed its name to Elgin, Joliet and Eastern Railway Company on January 31, 2009
 P&CD Holdings Corp. was not previously disclosed

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SCHEDULE 250 - 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 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.	305,480
	- Equity in undistributed earnings, which represents the total of Schedule 210, Line 26, for all railroads in the reporting entity	2,415
	- 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.	-
	= Adjusted income from continuing operations (before taxes). This represents "A" in item (3) below.	303,065

(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.	374,260
	+ Current provision 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, Provision for Deferred Taxes.	98,910
	+ 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.	-
	+ Release of premiums on funded debt, which represents the consolidated total of the release of premium on funded debt as shown on Schedule 210, Line 22, for all railroads in the reporting entity.	-
	- 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	190,183
	- Railroad-related income from affiliated (other than railroads) which was included in consolidated NROI (Schedule 250, Line 1).	(1,239)
	= Combined / Consolidated Pre-tax Adjusted NROI for all railroads. This represents "B" in item (3) below.	284,226

(3)	Calculate the railroad-related tax ratio: "B/A"	93.78%
(4)	Compute the nonrailroad-related complement (1 - Railroad-related income ratio) which equals the Nonrailroad-related tax ratio.	6.22%
(5)	Compute the nonrailroad portion of the total provision for taxes. This equals:	
	The Nonrailroad- related tax ratio (Item (4) above) times the total current taxes accrued on ordinary income (Account 556) which represents the consolidated amounts of Schedule 210, Line 47, 48 and 49 for all railroads in the reporting entity.	408

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.	1,954
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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).	408
	+ Total Nonrailroad-related taxes for rail-related affiliated (item (6) above).	1,954
	Equals total nonrailroad-related taxes. (This amount should be transferred to Schedule 250, Part A, Line 3).	2,362
