

Soo Line Corporation

April 29, 2011

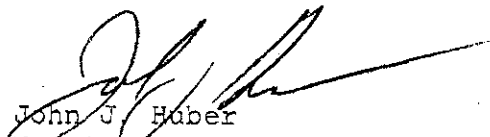
Mr. Paul Aguiar
Assistant Chief, Section of Economics
Surface Transportation Board
395 E Street SW
Washington, DC 20423-0001

Dear Mr. Aguiar,

Enclosed are two (2) copies of the Soo Line Corporation's year 2010 Schedule 250, Consolidated Information for Revenue Adequacy Determination.

Please advise if you have any questions.

Sincerely,



John J. Huber
VP Finance and Controller

250. CONSOLIDATED INFORMATION FOR REVENUE ADEQUACY DETERMINATION

(Dollars in Thousands)

Line No.	Item (a)	Beginning of year (b)	End of year (c)
	Adjusted Net Railway Operating Income For Reporting Entity		
1	Combined/Consolidated Net Railway Operating Income for Reporting Entity		209,736
2	Add: Interest Income from Working Capital Allowance-Cash Portion		2,768
3	Income Taxes Associated with Non-Rail Income and Deductions	N/A	158
4	Gain or (loss) from transfer/reclassification to nonrail-status (net of income taxes)		429
5	Adjusted Net Railway Operating Income (Lines 1, 2, 3 & 4)		213,091
	Adjusted Investment in Railroad Property for Reporting Entity		
6	Combined Investment in Railroad Property Used in Transportation Service	3,641,226	3,703,035
7	Less: Interest During Construction	19,085	21,504
8	Other Elements of Investment (if debit balance)	1,135	1,135
9	Add: Net Rail Assets of Rail-Related Affiliates	0	0
10	Working Capital Allowance	64,312	86,135
11	Net Investment Base Before Adjustment for Deferred Taxes (Lines 6 through 10)	3,685,318	3,766,531
12	Less: Accumulated Deferred Income Tax Credits	1,025,981	1,105,164
13	Net Investment Base (Line 11-12)	2,659,337	2,661,367

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
Soo Line Railroad Company	Railroad
Dakota, Minnesota & Eastern Railroad Corporation	Railroad
Wyoming Dakota Railroad Properties, Inc.	Railroad
Delaware and Hudson Railway Company, Inc.	Railroad
Wilkes Barre Connecting Railroad Company	Railroad
Northern Coal and Iron Company	Railroad - Leased Line
Albany & Vermont Railway Company	Railroad - Leased Line
Saratoga & Schenectady Railroad Company	Railroad - Leased Line
Soo Line Holding Company	Financing - Rail Related
Soo Line Corporation	Railroad Related
CPR Locomotive Equity Company	Railroad Related
Soo System Radio Communications Corporation	Railroad Related
Soo Green Holding LLC	Railroad Related

Footnote 1) Government Funding (per STB letter dated 6-21-2010):

Soo had State & Federal government grants and subsidies in account 783 of \$31,331 and \$31,132 at 12-31-2010 and 12-31-2009 respectively, which are not included in figures above. During 2010 Soo amortized \$1,281 of account 783 balances to revenue Account 503, which was offset by underlying depreciation of those assets in operating expenses.

250. PART B
Determination of Nonrail Taxes
(Dollars in Thousands)

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.	<u>229,980</u>
	- Equity in undistributed earnings, which represents the total of Schedule 210, Line 26, for all railroads in the reporting entity.	<u>3,630</u>
	- 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).	<u>315</u>
	= Adjusted income from continuing operations (before taxes). This represents "A" in Item (3) below.	<u>226,035</u>
(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.	<u>209,736</u>
	+ 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.)	<u>90,371</u>
	+ 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.	<u>2,768</u>
	+ 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.	<u>0</u>
	- 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.	<u>80,856</u>
	- Railroad-related income from affiliates (other than railroads) which was included in consolidated NROI (Schedule 250, Line 1).	<u>0</u>
	= Combined/Consolidated Pre-Tax Adjusted NROI for all railroads. This represents "B" in Item (3) below.	<u>222,019</u>
(3)	Calculate the railroad-related tax ratio: "B/A"	<u>98%</u>
(4)	Compute the nonrailroad-related complement: (1-Railroad-related income ratio) which equals the Nonrailroad-related tax ratio.	<u>2%</u>
(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.	<u>158</u>
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.	<u>0</u>
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).	<u>158</u>
	+ Total Nonrailroad-related taxes for rail-related affiliates (Item 6 above).	<u>0</u>
	= Total nonrailroad-related taxes (This amount should be transferred to Schedule 250, Part A, Line 3).	<u>158</u>