



Surface Transportation Board
Washington, D.C. 20423-0001

Office of the General Counsel

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Meeting under Section 5, STB Reauthorization Act Office of Proceedings
August 16, 2017 January 11, 2018
Part of
Public Record

Present: Members Begeman, Elliott, and Miller
Members' Staff: Ellen Erichsen, Chris Diamond, Brian O'Boyle, Valerie Quinn
Agency Staff: Craig Keats, Bill Brennan, Kim Hillenbrand, Andrew Read,
Jessica Caine, Elizabeth McGrath, Jen Smith-Bozek

Topic: NOR 42142, *Consumers Energy Company v. CSX Transportation Inc.*

Summary of the Matters Discussed, Prepared by General Counsel Craig Keats:

At this meeting staff briefed Board Members on how to allocate costs for the 59th Street intermodal terminal facility in the pending *Consumers Energy Company v. CSX Transportation Inc.* proceeding. In that proceeding, Consumers has challenged the rates charged by CSX for coal transportation to Consumers' generating station near West Olive, Mich., from CSXT's railroad interchange with BNSF Railway Company near Chicago, Ill. The discussion here focused on Consumers' use of the intermodal terminal facility by its hypothetical stand-alone railroad (SARR) to move its traffic. The shipper, in Consumers' hypothesis, would either pick traffic up at or bring traffic to the door of the facility, receive it or hand it off, and then receive a crossover traffic revenue allocation for originating or terminating the traffic. But CSXT argued that, because the shipper would not be paying the full cost of using the facility, it should not receive any revenues associated with its use of the facility. Staff briefed the Members on the following matters:

- The ownership of the facility and the property underlying it.
- How costs for "crossover traffic" are allocated under the Board's "ATC" methodology.
- Whether Consumers' in its presentation accepted enough operating costs for the services it would use in connection with the facility.
- If not, how much, if any, revenue Consumers should be allocated in connection with the facility.