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BNSF



MICHAEL E. ROPER
Senior General Attorney

The Burlington Northern and
Santa Fe Railway Company
2500 Lou Menk Drive
Fort Worth, Texas 76131-2828
(817) 352-2353 - Telephone
(817) 352-2397 - Fax
Michael.Roper@BNSF.com

March 19, 2002

VIA UPS OVERNIGHT MAIL

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423-0001

DID# 0101907001



RE: Finance Docket No. 34184, The Burlington Northern and Santa Fe Railway Company -- Trackage Rights Exemption -- Southern Gulf Railway Company

Dear Secretary Williams:

Enclosed for filing are the original and ten (10) copies of a **Notice of Exemption** relating to the above-referenced matter. Please return the duplicate of this letter so that I may know the date on which the notice of exemption was filed. A check for \$850.00 is enclosed to cover the filing fee. A 3.5 inch disc in WordPerfect 7.0 is also enclosed for the Board's use.

If anything further is needed, please give a call.

Sincerely,

Michael E. Roper

Michael E. Roper

MER/tmm

Enclosures

cc: David Konschnik
Wendell Bell

ENTERED
Office of the Secretary

MAR 20 2002

Part of
Public Record

FEE RECEIVED

MAR 20 2002

SURFACE
TRANSPORTATION BOARD

FILED

MAR 20 2002

SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD



DO#0101907001

STB Finance Docket No. 34184

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THE BURLINGTON NORTHERN AND SANTA FE RAILWAY
COMPANY--TRACKAGE RIGHTS EXEMPTION--
SOUTHERN GULF RAILWAY COMPANY

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TRANSPORTATION BOARD

VERIFIED NOTICE OF EXEMPTION

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ENTERED
Office of the Secretary

MAR 20 2002

Part of
Public Record

Michael E. Roper
THE BURLINGTON NORTHERN
AND SANTA FE RAILWAY COMPANY.
2500 Lou Menk Drive
P. O. Box 961039
Fort Worth, TX 76161-0039
(817) 352-2353

Dated: March 19, 2002

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB Finance Docket No. 34184

THE BURLINGTON NORTHERN AND SANTA FE RAILWAY
COMPANY--TRACKAGE RIGHTS EXEMPTION--
SOUTHERN GULF RAILWAY COMPANY

VERIFIED NOTICE OF EXEMPTION

1. This verified notice of exemption is filed by The Burlington Northern and Santa Fe Railway Company ("BNSF") pursuant to 49 C.F.R. §1180.2. Under this notice, BNSF will acquire limited overhead trackage rights from Southern Gulf Railway Company's ("SGR") over SGR's line between SGR MP 0.0 and SGR MP 4.28, a distance of approximately 4.28 miles, in the vicinity of Sulphur, LA, for the purpose of serving the Roy S. Nelson Generating Station (Plant) of Entergy Gulf States, Inc. The acquisition of these trackage rights is based on a written agreement and is not filed or sought in responsive applications in a rail consolidation proceeding.

2. The following information is provided as required by 49 C.F.R. §1180.4(g)(1)(i):

Section 1180.6(a)(1)(i-iii).

SGR has granted overhead trackage rights to BNSF as described above to enable BNSF to provide rail service to the Plant. BNSF will operate its own trains with its own crews over the SGR line under the trackage rights.

The carriers involved in this transaction and their business addresses are as follows:

The Burlington Northern and Santa Fe Railway Company
2600 Lou Menk Drive
P. O. Box 961034
Fort Worth, TX 76161

Southern Gulf Railway Company
10055 Grogans Mill Road
Parkwood II Building, Suite 300
The Woodlands, TX 77380

Questions regarding this exemption should be sent to Michael E. Roper, Senior General Attorney, The Burlington Northern and Santa Fe Railway Company, P. O. Box 961039, Fort Worth, TX 76161-0039. The phone number is (817) 352-2353.

Operations under this exemption will begin as soon as the exemption becomes effective.¹

The purpose of the trackage rights is to allow BNSF to provide rail service to the Plant.

Section 1180.6(a)(5).

The trackage involved in the trackage rights agreement is located in the state of Texas.

Section 1180.6(a)(6).

The required map is attached hereto as Exhibit No. 1.

Section 1180.6(7)(ii).

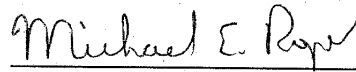
A copy of the trackage rights agreement covering this transaction is attached hereto as Exhibit No. 2.

Applicants are agreeable to the imposition of the standard labor protective conditions imposed by the Board pursuant to Norfolk and Western Ry. Co.--Trackage Rights--BN, 354 I.C.C. 605 (1978), as modified in Mendocino Coast Ry., Inc.--Lease and Operate, 360 I.C.C. 653 (1980).

¹ BNSF has been providing service to the Plant pursuant to the Trackage Rights Agreement dated as of February 17, 2000 (Exhibit No. 2 hereto). However, due to an oversight, BNSF did not file the exemption until now. BNSF regrets any inconvenience this oversight may have caused the Board.

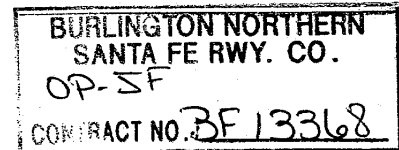
This transaction does not require the filing of an environmental report or an historic report under 49 C.F.R. §1105.6(c)(4) and §1105.8(b)(3) respectively.

Respectfully submitted,

A handwritten signature in cursive script that reads "Michael E. Roper". The signature is written in dark ink and is positioned above a horizontal line.

Michael E. Roper
THE BURLINGTON NORTHERN AND
SANTA FE RAILWAY COMPANY
2500 Lou Menk Drive
Fort Worth, TX 76131-2828
P. O. Box 961039
Fort Worth, TX 76161-0039
(817) 352-2353 - Telephone
(817) 352-2397 - Fax

ORIGINAL



TRACKAGE RIGHTS AGREEMENT

Exhibit No. 1

THIS AGREEMENT, made this 17th day of February, 2000, between **SOUTHERN GULF RAILWAY COMPANY**, a Texas corporation, hereinafter called "SGR" and **THE BURLINGTON NORTHERN AND SANTA FE RAILWAY COMPANY**, a Delaware corporation, hereinafter called "BNSF."

RECITALS:

WHEREAS, SGR owns a line of railroad in Calcasieu Parish, Louisiana, between the Roy S. Nelson Generating Station ("Plant") of Entergy Gulf States, Inc. ("Entergy"), at approximately SGR's Milepost 4.28, and a connection to a line of railroad jointly owned by BNSF and Union Pacific Railroad Company ("UP"), as successors to Southern Pacific Transportation Company ("SP"), in the vicinity of Sulphur, Louisiana, at approximately BNSF/UP's Milepost 226.57, SGR's Milepost 0.0, a distance of 4.28 miles, as delineated by bold line on SP's Drawing No. 45226, dated January 6, 1997, identified as Exhibit "A" and attached hereto and made a part of this Agreement, which line of railroad shall be referred to herein as "Joint Trackage" (as defined in Section 2.3 of this Agreement); and

WHEREAS, SGR has exclusive direction and control of the operation and maintenance of the Joint Trackage, including admission of other parties to the Joint Trackage; and

WHEREAS, BNSF desires to use and conduct railroad operations on and over the Joint Trackage in its capacity as a common and/or contract carrier, and SGR is willing to allow such use of the Joint Trackage on the terms and conditions hereinafter set forth.

NOW, THEREFORE, it is mutually agreed by and between the parties:

Section 1. GRANT OF RIGHTS

1.1. Subject to the terms and conditions contained herein, SGR grants to BNSF the nonexclusive right to use the Joint Trackage for the operation of its Equipment with its own employees and Equipment in its account in common with SGR and such other railroad company(ies) or private contractor(s) as SGR may hereafter at any time in the future admit to the joint use of the Joint Trackage (provided that such future admittance shall not materially hinder or obstruct the fair and reasonable exercise of the rights granted in this Agreement). Such other railroad company(ies) or

private contractor(s) shall be considered SGR for the purposes of the provisions of this Agreement, it being understood and agreed that BNSF:

- a. shall have the nonexclusive right to serve the Plant, and will conduct operations on the Joint Trackage, to the extent authorized by a rail transportation contract between BNSF and Entergy.
- b. shall have the right to establish common carrier and/or contract rates applicable to the transportation of freight to and/or from the Plant.
- c. shall not have the right to (i) connect with or interchange with any railroad other than SGR, or (ii) without the consent of the authorized representative of SGR (which consent may be withdrawn at any time by SGR) set out, pick up, or store Equipment upon the Joint Trackage, or any part thereof.

Section 2. DEFINITIONS

2.1 "SGR" shall mean the party granting the right to use the Joint Trackage (as that term is hereinafter defined).

2.2 "BNSF" shall mean the party granted by this Agreement the right to use the Joint Trackage.

2.3 "Derailment" shall mean any incident, accident, derailment, or vehicle or Equipment striking or being struck by Equipment operated by a party hereto.

2.4 "Hazardous Materials" shall mean hazardous materials, substances or waste, as defined pursuant to federal or state law.

2.5 "Joint Trackage" shall mean the track structure of SGR as described in this Agreement including necessary right-of-way and appurtenances and support facilities thereof, including but not limited to signals (including highway crossing signals), signal systems, communications, rail and fastenings, switches and frogs complete, bumpers, ties, ballast, roadbed, embankments, bridges, trestles, culverts, right-of-way fencing and other structures or things necessary for support of and entering into construction thereof, and if any portion thereof is located in a thoroughfare, the terms shall

include pavement, crossing planks and other similar materials or facilities used in lieu of pavement or other street surfacing material at vehicular crossings of tracks, culverts, drainage facilities, crossing warning facilities, and all Changes in and/or Additions to (as that term is hereinafter defined) such facilities now or in the future located as are required or desirable for the operation of the Equipment (as defined in Section 2.6 below) of the parties hereto.

2.6 "Equipment" shall mean trains, locomotives, rail cars, cabooses, vehicles, and machinery which are capable of being operated on railroad tracks, or operated on right-of-way for purpose of the maintenance or repair thereof.

2.7 "Changes in and/or Additions to" and "Additions" (including retirements) shall mean work projects, the cost of which is chargeable in whole or in part to Property Accounts as defined by Uniform System of Accounts for Railroad Companies as prescribed by the Surface Transportation Board as of the effective date of this Agreement.

2.8 "FRA Track Safety Standards" shall mean the minimum safety requirements for railroad track prescribed by the Federal Railroad Administration and set forth at 49 C.F.R. Part 213.

Section 3. COMPENSATION

The use of the Joint Trackage shall be at no charge to BNSF.

Section 4. MAINTENANCE, RENEWALS, CHANGES AND ADDITIONS

During the term of this Agreement, SGR shall inspect, maintain, repair and renew the Joint Trackage, using either its own forces or a qualified contractor(s). The overall level of track maintenance of the Joint Trackage shall be in compliance with the FRA Track Safety Standards for Class 2 track, as set forth at 49 C.F.R. § 213.9, and otherwise so as to permit the safe operation of unit coal trains containing up to 130 railcars loaded to a maximum gross weight on rail of 286,000 pounds each at a maximum speed of 25 miles per hour. However, the maximum authorized operating speed over the Joint Trackage may be less. BNSF acknowledges that the condition of the Joint Trackage meets these standards as of the date of execution of this Agreement.

Section 5. OPERATIONS AND CONTROL

5.1 During the term of this Agreement, the management and operation of the Joint Trackage shall be under the exclusive direction and control of SGR.

5.2 BNSF understands and acknowledges that a railroad crossing and interlocker system is located on the Joint Trackage in the vicinity of SGR's Milepost 3.92, and that such railroad crossing and interlocker are maintained, directed and controlled by The Kansas City Southern Railway Company ("KCS") pursuant to an agreement between KCS and SGR dated June 24, 1996, as amended ("KCS Crossing Agreement"). If and to the extent that BNSF conducts train operations over such railroad crossing and interlocker, BNSF expressly agrees to abide by all of the material terms and conditions of the KCS Crossing Agreement pertaining to such operations.

5.3 All decisions made regarding the management, operation, dispatching and maintenance of the Joint Trackage by the officers, agents, employees, and contractors of SGR or its affiliates shall be made in a fair, impartial, and just manner. SGR's rules, instructions, and restrictions pertaining to operations on the Joint Trackage shall be reasonable, just, and fair between all parties using the Joint Trackage and shall not unjustly discriminate against any of them.

5.4 If the use of the Joint Trackage shall at any time be interrupted or traffic thereon or thereover be delayed for any cause, neither party shall have or make any claim against the other for loss, damage, or expense of any kind, caused by or resulting from such interruption or delay.

5.5 If any Equipment of BNSF is bad ordered while on the Joint Trackage and (i) it is necessary that it be set out, and (ii) only light repairs to the Equipment are required, such bad ordered Equipment shall be promptly repaired, and, thereafter, promptly removed from the Joint Trackage by BNSF unless otherwise agreed between BNSF and SGR or Entergy. If Equipment of BNSF shall become derailed, wrecked, or otherwise disabled while upon the Joint Trackage, it shall be rerailed or cleared by BNSF unless otherwise agreed between BNSF and SGR or Entergy. The reasonable costs and expenses of rerailing or clearing derailed, wrecked or disabled Equipment shall be borne by the parties in accordance with Section 7 of this Agreement.

5.6 BNSF shall be responsible for the reporting and payment of any mileage, per diem, use, or rental charges accruing on Equipment in BNSF's account on the Joint Trackage.

Section 6. COMPLIANCE WITH LAWS

6.1 With respect to operation of Equipment on and over the Joint Trackage, each party shall comply with all applicable federal, state and local laws, rules, regulations, orders, decisions, and ordinances and if any failure on the part of any party to so comply shall result in a fine, penalty, cost, or charge being imposed or assessed on or against the other party, such other party shall give prompt notice to the failing party and the failing party shall promptly reimburse and indemnify the other party for such fine, penalty, cost or charge, and all expenses and attorneys' fees incurred in connection therewith, and shall upon request of the other party defend such action free of cost, charge, and expense to the other party.

6.2 Responsibility for Environmental Claims between the parties shall be borne as follows:

a. BNSF shall be responsible for Environmental Claims to the extent they result from (i) the use of, or presence upon, the Joint Trackage by BNSF or its contractors or invitees, or (ii) the negligence or willful misconduct of BNSF, its contractors or invitees in operations on or over the Joint Trackage.

b. SGR shall be responsible for Environmental Claims to the extent that BNSF is not responsible for such claims pursuant to Section 6.2.a, above.

6.3 Each party shall release the other party to the extent it (the first mentioned party) is responsible for an Environmental Claim, and, to the extent of such responsibility, shall defend, indemnify, protect and save harmless such other party from and against such Environmental Claim and costs associated therewith, including, but not limited to, environmental consultant fees, attorneys' fees and third party claims.

If following a BNSF Derailment upon the Joint Trackage Hazardous Materials must be transferred to undamaged rail cars or other vehicles, unless otherwise agreed by the parties, BNSF shall perform the transfer.

6.4 The term "Environmental Claim" means the direct costs of any cleanup, response, removal, remediation, natural resource damage, closure and/or post-closure required by any environmental conditions affecting the air, soil, surface waters, ground waters, streams, sediments and similar environmental conditions caused by, resulting from, arising out of, or occurring in connection with this Agreement.

6.5 The liability and indemnity provisions of this Section 6 shall continue in full force and effect regardless of whether (i) this Agreement is terminated pursuant to any other provision, or (ii) the Joint Trackage is vacated by BNSF.

6.6 The total cost of clearing a Derailment, cleaning up any Hazardous Materials released during such Derailment, and/or repairing the Joint Trackage or any other property damaged thereby shall be borne by the party or parties liable therefor pursuant to the allocation of liability in Section 7 of this Agreement.

Section 7. LIABILITY

7.1 Except as otherwise provided herein, liability for damage to or destruction of railcars while on the Joint Trackage shall be governed by the Association of American Railroads Interchange Rules then in effect.

7.2 Inbound BNSF trains from point of entrance onto SGR trackage until the BNSF train crew places and properly secures the train, gives notice to SGR or its agent and physically departs BNSF train relinquishing control to SGR or its agent, BNSF shall indemnify and hold harmless SGR and Entergy (and its agents, employees and contractors) for and from all cost and liability for injury to or death of any person, and for loss of, damage to, or destruction of any property, arising out of activities conducted under this Agreement, except to the extent that such injury, death, loss, damage, or destruction is caused solely by the negligence of or willful misconduct of SGR or its agents, employees or contractors.

7.3 Outbound BNSF trains from point on SGR trackage where BNSF train crew physically takes control of BNSF train from SGR or its agent, BNSF shall indemnify and hold harmless SGR and Entergy (and its agents, employees and contractors) for and from all cost and liability for injury to or

death of any person, and for loss of, damage to, or destruction of any property, arising out of activities conducted under this Agreement, except to the extent that such injury, death, loss, damage, or destruction is caused solely by the negligence of or willful misconduct of SGR or its agents, employees or contractors.

7.4. SGR shall indemnify and hold BNSF harmless from any and all expenses for loss, damage and injury to property, including property owned by or in the custody of BNSF, and for personal injury to and death of persons, including employees of BNSF or its agents and contractors, arising out of any liability occurrence which may happen during the period BNSF has relinquished control of the BNSF train to the SGR or its agents, except to the extent that such injury, death, loss, damage, or destruction is caused solely by the negligence of or willful misconduct of BNSF or its agents, employees or contractors.

7.5. Each party shall give the other notice of any claim for property loss or personal injury sustained by a non-party and arising out of activities conducted under this Agreement within ten (10) days of receiving such claim.

7.6. The employees of a party or its contractors while operating, maintaining or directing operations on the Joint Trackage shall not be considered joint employees or contractors but shall remain the sole employees or contractors of the party hiring them.

Section 8. ARBITRATION

8.1 If at any time a question or controversy shall arise between the parties hereto in connection with this Agreement upon which the parties cannot agree, such question or controversy shall be submitted to and settled by a single arbitrator to be selected jointly by the parties within twenty (20) days after written notice by one party of its desire for arbitration to the other party or parties. The arbitrator so selected shall be a person with at least five (5) years of exposure to the concepts of administration, interpretation, and application of joint facility contracts or agreements. If the parties cannot agree upon a single qualified arbitrator within such twenty (20) day period, the party demanding such arbitration (the "Demanding Party") shall promptly notify the other party (the "Noticed Party") in writing of such demand, stating the question or questions to be submitted for decision and nominating one similarly qualified arbitrator. Within twenty (20) days after receipt of said notice, the Noticed Party

shall appoint a similarly qualified arbitrator and notify the Demanding Party in writing of such appointment. Should the Noticed Party fail within twenty (20) days after receipt of such notice to name its similarly qualified arbitrator, the arbitrator for the Demanding Party shall select one for the Noticed Party so failing. The arbitrators so chosen shall select one similarly qualified additional arbitrator, to complete the board. If they fail to agree upon an additional arbitrator, the same shall, upon application of any party, be appointed pursuant to the Commercial Arbitration Rules of the American Arbitration Association, upon application by any party after ten (10) days' written notice to all other parties.

Upon selection of the arbitrator(s), said arbitrator(s) shall with reasonable diligence determine the questions as disclosed in said notice of demand for arbitration, shall give all parties reasonable notice of the time and place (of which the arbitrator(s) shall be the judge) of hearing evidence and argument, may take such evidence as they deem reasonable or as either party may submit with witnesses required to be sworn, and may hear arguments of counsel or others. If any arbitrator declines or fails to act, the party (or parties in the case of a single arbitrator) by whom he was chosen or said judge shall appoint another to act in his place. After considering all evidence, testimony, and arguments, said single arbitrator or the majority of said board of arbitrators shall promptly state such decision or award in writing which shall be final, binding, and conclusive on all parties to the arbitration when delivered to them. Until the arbitrator(s) shall issue the decision or award upon any question submitted for arbitration, performance under this Agreement shall continue in the manner and form existing prior to the rise of such question. After delivery of said decision or award, each party shall forthwith comply with said decision or award immediately after receiving it.

Each party to the arbitration shall pay the compensation, costs and expenses of the arbitrator appointed in its behalf and all fees and expenses of its own witnesses, exhibits, and counsel. The compensation, cost, and expenses of the single arbitrator or the additional arbitrator in the board of arbitrators shall be paid in equal shares by all parties to the arbitration.

8.2 The books and papers of all parties, as far as they relate to any matter submitted for arbitration, shall be open to the examination of the arbitrator(s).

Section 9. GOVERNMENTAL APPROVAL, ABANDONMENT

9.1 BNSF shall, at its own cost and expense, initiate by appropriate application or petition and thereafter diligently prosecute proceedings for the procurement of all necessary consent, approval, or

authority from any governmental agency for the sanction of this Agreement and the operations to be carried on by BNSF thereunder. SGR, at its expense, shall assist and support said application or petition and will furnish such information and execute, deliver, and file such instrument or instruments in writing as may be necessary or appropriate to obtain such governmental consent, approval, or authority. BNSF and SGR agree to cooperate fully to procure all such necessary consent, approval, or authority.

9.2 Upon termination of this Agreement, or any partial termination, as the applicable case may be, however the same may occur, BNSF shall be released from any and all manner of obligations and shall be deemed to have forever relinquished, abandoned, surrendered, and renounced any and all right possessed by BNSF to operate over that part of the Joint Trackage to which such termination applied, and as to such part, BNSF shall forever release and discharge SGR of and from any and all manner of obligations, claims, demands, causes of action, or suits which BNSF might have, or which might subsequently accrue to BNSF growing out of or in any manner connected with, directly or indirectly, the contractual obligations of SGR under this Agreement, in all events provided, however, the aforesaid relinquishment, abandonment, surrender, renunciation, release, and discharge of BNSF shall not in any case affect any of the rights and obligations of either SGR or BNSF which may have accrued, or liabilities accrued or otherwise, which may have arisen prior to such termination or partial termination. Upon any partial termination of this Agreement, however the same may occur, the terms and conditions hereof shall continue and remain in full force and effect for the balance of the Joint Trackage.

9.3 Each party shall be responsible for any labor claims of, and shall bear the cost of employee protection payable to, its own employees, and the employees of companies affiliated with it, to the extent resulting from the entry into or operation of this Agreement.

Section 10. OTHER CONSIDERATIONS

10.1 Nothing in this Agreement contained shall limit the right of SGR to admit one or more other railroad companies to the use of the Joint Trackage or any part thereof on such terms and conditions as are satisfactory to SGR, provided such admittance shall not materially hinder or obstruct the fair and reasonable exercise of the rights granted to BNSF in this Agreement. Such other railroad company or companies presently or hereafter admitted to the Joint Trackage or any part thereof by SGR shall be considered SGR for the purposes of this Agreement. BNSF shall have no right to admit any person, firm, or corporation to the use of the Joint Trackage except upon express consent of SGR.

10.2 This Agreement and each and every provision hereof is for the exclusive benefit of the parties hereto and not for the benefit of any third party except as otherwise specifically provided with respect to Entergy. Nothing herein contained shall be taken as creating or increasing any right in any third person (other than Entergy) to recover by way of damages or otherwise against any of the parties hereto.

10.3 If any covenant or provision of this Agreement not material to the right of BNSF to use and control operations over the Joint Trackage shall be adjudged void, such adjudication shall not affect the validity, obligation, or performance of any other covenant or provision which is in itself valid. No controversy concerning any covenant or provision shall delay the performance of any other covenant or provision. Should any covenant or provision of this Agreement be adjudged void, the parties will make such other arrangements as, under the advice of counsel, will effect the purposes and intent of this Agreement.

10.4 All Section headings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

10.5 All notices, demands, requests, submissions and other communications which are required or permitted to be given pursuant to this Agreement shall be given by either party to the other via facsimile transmission or in writing and shall be deemed properly served if delivered by hand to the party to whose attention it is directed, or same shall be deemed to have been properly served and delivered when mailed by registered or certified mail, return receipt requested, with postage prepaid and addressed as follows:

If intended for SGR:

Manager Coal Supply
Entergy Services, Inc.
10055 Grogans Mill Road
Parkwood II Building, Suite 300
The Woodlands, TX 77380

If intended for BNSF:

AVP Contracts & Joint Facilities
2600 Lou Menk Drive
P. O. Box 961034
Fort Worth, TX 76131

Notice of address change may be given any time pursuant to the provisions of this Section 10.5.

Section 11. ASSIGNMENT AND SUCCESSION

11.1 Except as otherwise expressly provided herein, neither party may assign this Agreement or any of its rights or obligations under this Agreement without the prior written consent of the other party hereto except that no such consent shall be: (a) required where assignment is to a successor in interest of such party, or a purchaser or assignee of substantially all of the assets of such party by way of merger, consolidation, transfer, or sale or lease of substantially all of its assets, divestiture pursuant to an order or decree of court, or similar court reorganization; PROVIDED, HOWEVER, that no such assignment shall be effective unless and until such assignee shall assume in writing the obligations of the assignor, or (b) required where either party assigns this Agreement or any of its rights or obligations under this Agreement to an affiliated corporate entity; PROVIDED, HOWEVER, that no such assignment shall be effective unless and until such assignee shall assume in writing the obligations of the assignor.

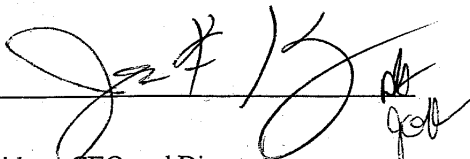
11.2 Subject to Section 11.1 of this Section 11, this Agreement shall bind and inure to the benefit of the parties, their successors and assigns.

Section 12. EFFECTIVE DATE AND TERM

This Agreement shall become effective upon the date BNSF first commences operation over the Joint Trackage pursuant to this Agreement subject to having secured all necessary consent, approval or authority from the appropriate governmental agency, or agencies upon terms and conditions satisfactory to BNSF, and shall remain in effect until January 1, 2010; PROVIDED, HOWEVER, that either party may terminate this agreement prior to such date by giving the other party not less than thirty (30) days' written notice of the termination, but any such early termination shall not be effective until the expiration of any rail transportation contract between BNSF and Entergy governing the transportation of coal to the Plant. Liabilities created under this Agreement shall survive such termination.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in duplicate
as of the day and year first above written.

SOUTHERN GULF RAILWAY COMPANY

By 
Its: President, CEO and Director
(Title)

**THE BURLINGTON NORTHERN AND
SANTA FE RAILWAY COMPANY**

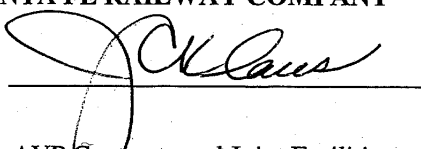
By 
Its: AVP Contracts and Joint Facilities
(Title)

Exhibit No. 2

VERIFICATION

THE STATE OF TEXAS §
 §
COUNTY OF TARRANT §

Michael E. Roper being duly sworn, deposes and says that he has read the foregoing notice of exemption and that the contents thereof are true and correct to the best of his knowledge and belief.

Michael E Roper
Michael E. Roper

Subscribed and sworn to before me this 18th day of March, 2002.



My Commission expires:

7-16-02

Tina M. Mailhos
Notary Public

SURFACE TRANSPORTATION BOARD

Notice of Exemption

STB Finance Docket No. 34184

THE BURLINGTON NORTHERN AND SANTA FE RAILWAY
COMPANY--TRACKAGE RIGHTS EXEMPTION--
SOUTHERN GULF RAILWAY COMPANY

Southern Gulf Railway Company ("SGR") has agreed to grant overhead trackage rights to The Burlington Northern and Santa Fe Railway Company ("BNSF") over the SGR's line between SGR MP 0.0 and SGR MP 4.28, near Sulphur, LA, for the purpose enabling BNSF to provide service to the Roy S. Nelson Generating Station, a distance of approximately 4.28 miles.

The trackage rights under this exemption shall be effective on March 26, 2002, and operations under this exemption will begin on that date.

This notice is filed under §1180.2(d)(7). Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not stay the transaction.

Dated:

By the Board,
Vernon A. Williams,
Secretary.