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May 1, 2006

216460

BY HAND

The Honorable Vernon A. Williams  
Secretary  
Surface Transportation Board  
Case Control Unit  
1925 K Street, N.W.  
Washington, D.C. 20423-0001

Re: STB Ex Parte No. 657 (Sub-No. 1), *Major Issues In Rail Rate Cases*; Docket No. 41191, *West Texas Utilities Company v. BNSF Railway Company*; Docket No. 41191 (Sub-No.1), *AEP Texas North Company v. BNSF Railway Company*

Dear Secretary Williams:

Enclosed please find an original and ten (10) copies of the Opening Comments of AEP Texas North Company in the above-referenced proceeding. Also enclosed are three CDs containing the filing.

Finally, we have enclosed an additional copy of these Comments to be date-stamped and returned to the bearer of this letter. Thank you for your attention to this matter.

Respectfully submitted,

Kendra A. Ericson

Enclosures

cc: Service List-w/enclosures (hardcopy only)

**BEFORE THE  
SURFACE TRANSPORTATION BOARD**



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MAJOR ISSUES IN RAIL RATE CASES

216460  
Ex Parte No. 657 (Sub-No. 1)

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WEST TEXAS UTILITIES COMPANY  
Complainant,

v.

Docket No. 41191

BNSF RAILWAY COMPANY  
Defendant.

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AEP TEXAS NORTH COMPANY  
Complainant,

v.

Docket No. 41191 (Sub-No. 1)

BNSF RAILWAY COMPANY  
Defendant.

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**OPENING COMMENTS OF AEP TEXAS NORTH COMPANY**

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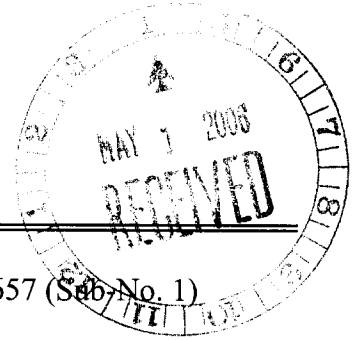
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Dated: May 1, 2006

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**BEFORE THE  
SURFACE TRANSPORTATION BOARD**



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| MAJOR ISSUES IN RAIL RATE CASES | ) |                              |
|                                 | ) | Ex Parte No. 657 (Sub-No. 1) |
|                                 | ) |                              |
| WEST TEXAS UTILITIES COMPANY    | ) |                              |
| Complainant,                    | ) |                              |
|                                 | ) |                              |
| v.                              | ) | Docket No. 41191             |
|                                 | ) |                              |
| BNSF RAILWAY COMPANY            | ) |                              |
| Defendant.                      | ) |                              |
|                                 | ) |                              |
| AEP TEXAS NORTH COMPANY         | ) |                              |
| Complainant,                    | ) |                              |
|                                 | ) |                              |
| v.                              | ) | Docket No. 41191 (Sub-No. 1) |
|                                 | ) |                              |
| BNSF RAILWAY COMPANY            | ) |                              |
| Defendant.                      | ) |                              |
|                                 | ) |                              |

**OPENING COMMENTS OF AEP TEXAS NORTH COMPANY**

By Decision served February 27, 2006 ("*Decision*"), the Board invited interested parties to submit comments on six issues that have been raised in recent cases arising under the stand-alone cost ("SAC") constraint of the *Coal Rate Guidelines*.<sup>1</sup> These issues are: (1) the methodology for allocating rate relief, (2) the division of revenues on "cross-over traffic," (3) the indexing of operating expenses, (4) movement specific adjustments to variable costs under the Board's Uniform Railroad Costing

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<sup>1</sup> *Coal Rate Guidelines, Nationwide*, 1 I.C.C. 2d 520 (1985).

System (“URCS”), (5) the SAC analysis period, and (6) the standards for reopening and vacating prior rate prescriptions. AEP Texas North Company (“AEP Texas”) hereby submits these Comments in response to that invitation.<sup>2</sup>

## **BACKGROUND**

The Board initiated *Ex Parte No. 657* in February 2005, in order to allow the expression of views by rail shippers, railroads, and other interested persons on issues related to Board consideration of rail rate challenges under the SAC methodology. On April 20, 2005, American Electric Power Service Corporation, the parent company of AEP Texas, filed comments in that docket as a member of the Concerned Captive Coal Shippers. In their April 20, 2005 comments, the Concerned Captive Coal Shippers encouraged the Board to use a case-by-case approach (as opposed to a formal rulemaking) to solve perceived problems with its SAC analysis as applied in recent coal rate cases. *Comments* at 31. The Concerned Captive Coal Shippers expressed the importance of “broad flexibility to develop and present the SARR traffic group, operating plan, physical plant, etc. that they believe will offer the least cost SARR option,” (*id.* at 34), and pointed out that a resolution that makes sense for one shipper in a given SAC case may not make the most sense for all SAC cases when the facts and circumstances are considered. *Id.* They also expressed concern that a rulemaking would result in administrative delay, and

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<sup>2</sup> AEP Texas is successor-in-interest to West Texas Utilities Company. These Comments are submitted in and encompass both *Docket No. 41191* and *Docket No. 41191 (Sub-No. 1)*.

noted that such a rulemaking will “hinder the progress of SAC cases currently pending before the Board.” *Id.* These concerns were echoed by every shipper and shippers group that filed comments in the proceeding.

Over the objections of the shipper community, the Board’s *Decision* initiated a rulemaking to address the issues noted above. The Board also directed the reopening of *Docket No. 41191*, *Docket 41191 (Sub-No. 1)*, and another pending coal rate proceeding, all of which had been fully briefed on completed records, and were awaiting decision by the Board.

In response to the *Decision*, the Concerned Captive Coal Shippers, Western Coal Traffic League, Western Fuels Association, Inc., Edison Electric Institute, National Rural Electric Cooperative Association and American Public Power Association (collectively “Coal Shippers”) this date are filing Joint Comments on the Board’s proposals. AEP Texas subscribes to the Joint Comments. It submits these additional Comments specifically to address issues relevant to its pending rate reasonableness cases.

*Docket No. 41191 (Sub-No. 1)* was initiated on August 11, 2003. The last round of evidence was filed on February 28, 2005,<sup>3</sup> and the case was briefed on June 9, 2005. In accordance with Section 10704(c)(1), a final decision was due no later than

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<sup>3</sup> The parties submitted their rebuttal evidence on July 27, 2004. AEP Texas subsequently filed supplemental evidence on November 8, 2004 to update its Rail Traffic Controller simulation. In a decision dated January 14, 2005, the Board requested that BNSF reply to the supplemental evidence by February 14, 2005. AEP Texas replied to BNSF’s February 14 filing on February 28.

March 9, 2006. However, the *Decision* opening this proceeding was served eleven days earlier, and the record in *Docket No. 41191 (Sub-No. 1)* was reopened. The Board noted that it intended to apply much of the outcome of the rulemaking to pending cases, and specifically requested comments from the parties involved on “whether or to what extent it would be inequitable to apply the changes proposed herein, or parts thereof, to [those] pending cases.” *Decision* at 2.

Finally, on March 17, 2006, the Board served a separate order in *Docket No. 41191 (Sub-No. 1)* directing three rounds of additional evidence on a limited set of specific matters at issue in the case (“*Compliance Order*”). The last round of this supplemental evidence is due on July 14, 2006.

### **SUMMARY OF COMMENTS**

With respect to four of the proposals offered by the Board in its *Decision*, AEP Texas submits that alternatives should be adopted or no change should be made. Specifically, the Board should endorse the methodology for allocating rate relief proposed by AEP Texas in *Docket No. 41191 (Sub-No. 1)*; continue to use the MSP methodology for allocating revenue divisions on cross-over traffic; and adopt the Coal Shippers’ proposed methodology for indexing stand-alone operating expenses, and their proposed standards and procedures for evaluating requests to reopen or vacate rate prescriptions.

AEP Texas submits that application of its proposed solutions on the issues of allocating rate relief, the division of revenue on cross-over traffic, the indexing of

operating expenses, and the vacation of rate prescriptions justly and equitably can be applied in *Docket No. 41191 (Sub-No. 1)* and *Docket No. 41191*, as such changes can be implemented without additional evidence or discovery. However, the application of any new rule that would require new or additional evidence or discovery would be manifestly unjust, inequitable and contrary to law.

AEP Texas also submits that the application in *Docket No. 41191 (Sub-No. 1)* of the proposed rules regarding movement specific variable cost adjustments and changes to the 20 year DCF period would be unfair, inappropriate and unduly burdensome, and should not be undertaken.

### **COMMENTS**

#### **I. IT WOULD BE MANIFESTLY UNJUST TO REQUIRE OR PERMIT THE SUBMISSION OF NEW EVIDENCE BEYOND THE SCHEDULED COMPLIANCE FILINGS**

In its *Decision*, the Board asks whether it would be inequitable to apply any changes in rules or methodology that might be adopted in this proceeding to *Docket No. 41191 (Sub-No. 1)*. *Id.* at 2. The Board also indicates that once this proceeding is concluded, AEP Texas and BNSF would be afforded “an opportunity to submit supplemental evidence that comports with whatever changes we decide to adopt....” *Id.* at 3. AEP Texas submits that it would be manifestly inequitable if the Board *did* allow the filing of any additional evidence at the close of this proceeding, and strongly objects to

any delay in the conclusion of this case beyond that which already is inevitable as a consequence of the Board's *Compliance Order*.

Once an evidentiary record is complete, the Board is required by statute to issue a final decision within nine months. 49 U.S.C. § 10704(c)(1). Prior to the issuance of the *Decision*, a final ruling in *Docket No. 41191 (Sub-No. 1)* was due on March 9, 2006. The Board's *Compliance Order* calls for a limited submission of supplemental evidence, which will conclude on July 14, 2006. Whether the Board adopts the reforms advocated herein by AEP Texas, the proposals set out in the *Decision*, or some combination of the two, no additional evidence would be needed in order to calculate variable and stand-alone costs and render a final rate reasonableness determination.<sup>4</sup> Under these circumstances, requiring or permitting additional evidence would be manifestly unjust and inequitable.

The complaint in this case was filed on August 11, 2003, over 2 years and 8 months ago. Since that time, AEP Texas has dedicated extraordinary efforts and resources to the prosecution of its case, concluding in a voluminous record addressing in minute detail every element and sub-element of the Board's maximum rate

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<sup>4</sup> All of the changes proposed by the Board, as well as the alternatives advocated by AEP Texas, are methodological, and do not rely on evidence that is not already on record (or will be in light of the *Compliance Order*) for their execution. The only proposal advanced by the Board that would have evidentiary implications concerns shortening the DCF period from 20 to 10 years. However, the Board already has expressed its intent not to apply this change (if it is adopted) to *Docket No. 41191 (Sub-No. 1) (Decision, at 2)*, and AEP Texas agrees.

methodologies. AEP Texas now is committed to additional, limited rounds of supplemental evidence, which of course will demand additional effort and resources. To require yet another filing after the rulemaking in this case would be unjust and inequitable in the extreme, particularly since any changes in methodology can be applied to the existing record, solely as supplemented in response to the *Compliance Order*.

The submission of additional evidence and sufferance of further delay in this proceeding also would be contrary to law. The District of Columbia Circuit has held that a rulemaking should not delay a decision in an adjudication that is subject to a statutory deadline. *See AT&T v. UCC*, 978 F.2d 727, 732 (D.C. Cir. 1992). That holding makes clear that a rulemaking should be conducted parallel to a related adjudication, and cannot be used to alter that adjudication's statutory deadline.

AEP Texas therefore submits that the Board should not allow additional evidence (other than the mechanical application of the approved methodologies to the current record) or discovery in either *Docket No. 41191* or *Docket No. 41191 (Sub-No. 1)* after the Board concludes this proceeding.

## **II. METHODOLOGY FOR ALLOCATING RATE RELIEF**

In prior SAC cases, the Board has used the percent reduction method to allocate total SAC relief. *Decision* at 7. In its evidentiary submissions in *Docket No. 41191 (Sub-No. 1)*, AEP Texas explained in detail the flaws in this approach, and the

reasons why it should be replaced by the General Percent Reduction Methodology (“GPRM”) proposed therein. AEP Texas Opening at III-G-25 to 32; AEP Texas Rebuttal at III-G-35 to 40.<sup>5</sup> In its *Decision*, the Board acknowledged the defects in the percent reduction formula, and invited parties to pending cases to propose alternatives. *Decision* at 7-9. AEP Texas is hereby submitting GPRM to be adopted in this rulemaking as an acceptable approach to the allocation of rate relief.

**A. The Board’s Alternative Approaches**

In its *Decision*, the Board proposed two methodologies to replace the percent reduction method – the Maximum Contribution Methodology (“MCM”) and the Maximum Markup Methodology (“MMM”). As discussed in the Joint Comments, each of these is superior to the percent reduction formula. However, neither should be endorsed as the exclusive acceptable methodology, and GPRM should be adopted for use in *Docket No. 41191 (Sub-No. 1)*.

**1. Maximum Contribution Methodology**

Under MCM, the total SAC costs would be apportioned among the traffic group based on ton-miles. The Board then would check to see if the share of costs assigned to a movement would exceed its current rate level. If a non-issue movement’s share of SAC costs is higher than the rate actually charged by the incumbent, MCM

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<sup>5</sup> All references to the record of *Docket No. 41191 (Sub-No. 1)* in this proceeding refer to the public version of the filings.

would reapportion the difference to the remaining traffic, thereby increasing the contribution from the remaining traffic. The analysis would be repeated until no movement is assigned a higher share of SAC costs than the incumbent levies on that movement.

As discussed in the Joint Comments, MCM is an improvement over the percent reduction method, but it still has a number of flaws. The starting point for the maximum rate is still the rate set by the defendant, which does not completely mitigate the effects of gaming. In contrast, GPRM solves this problem by ensuring that higher rate increases yield equally significant rate reductions by making marginal costs, not the original rate, the starting point for the new rates. Further, under MCM the barometer of demand elasticity remains absolute price, as opposed to the mark-up of price over marginal costs. As discussed below, GPRM focuses on the mark-up over marginal costs. GPRM, therefore, will yield results that are closer to those that one would expect under true application of Ramsey principles. Another problem with MCM is that it does not take into account the differences in variable costs among the members of the shipper group, which makes MCM ill-suited for cases in which the traffic group contains a mix of commodities, train types and long-haul and short-haul traffic. GPRM is suitable for all traffic groups, as it takes into account the marginal costs for each movement.

## **2. Maximum Markup Methodology**

In instances in which the traffic group is diverse, the Board suggests using the MMM approach. MMM uses URCS to estimate the variable cost of every movement in the traffic group, and allocates relief based upon revenue markups over variable cost as compared to the system's average markup over SAC. *Decision* at 13-16.

MMM is more difficult to apply, though it does have the virtue of producing results that focus on markups, rather than prices. However, MMM uses variable costs rather than marginal costs in its determination. GPRM's use of marginal costs is a truer representation of Ramsey pricing principles.

### **B. The Generalized Percent Reduction Method**

In response to the problems associated with the percent reduction methodology, AEP Texas presented GPRM as an alternative. AEP Texas Opening at III-G-30 to 33; AEP Texas Rebuttal at III-G-43 to 48; AEP Texas Brief at 19 to 22. The theoretical soundness of GPRM was verified by AEP Texas witnesses Drs. Douglas Caves, Kelly Eakin and Mark Meitzen. As requested by the Board in its *Decision*, AEP Texas hereby re-submits this method for consideration in this rulemaking.

#### **1. The General Rule**

GPRM is a generalization of the percent reduction method currently employed by the Board, which modifies the Board's methodology to be consistent with Ramsey pricing principles. GPRM allocates rate relief based on the maintenance of the

ratios of price markups over marginal cost. The GPRM rule is based upon the following equation:

$$\% \text{ price decrease shipper } i / \% \text{ price decrease shipper } j = (P_i / P_j) (MC_j / MC_i) E_{ji}$$

where  $P_i$  and  $P_j$  are the original Ramsey prices,  $MC_j$  and  $MC_i$  are shipper-specific marginal costs, and  $E_{ji}$  is the ratio of shipper  $j$ 's elasticity of demand to shipper  $i$ 's elasticity of demand. See AEP Texas Opening at III-G-30. Exhibit III-G-11 (attached hereto as Exhibit A) to AEP Texas' Opening Evidence presents the derivation of GPRM and provides an example of its practical implementation.

Under GPRM, the total reduction in rates is approximately equal to the overall percentage by which SARR revenues exceed SAC. Unlike the percent reduction method, however, GPRM requires that the individual reductions vary from shipper to shipper in a manner in which the most inelastic shippers receive the greatest percent reduction. This feature conforms to Ramsey pricing principles, as these are the same shippers that are expected to absorb the highest markups when revenues are inadequate to fully cover costs. AEP Texas Opening at III-G-31 to 32.

## **2. Computation of Marginal Costs**

As a practical matter, coal rate proceedings do not readily permit the specific calculation of marginal service costs for each member of the SARR traffic group. Such a showing would be extremely burdensome. This limitation should not affect the use of GPRM, however, as there is no need to compute the actual marginal costs of a

particular movement with specificity. Instead, the goal is to measure the markup of the rate over a determined cost level *relative* to the comparable markups above similarly determined cost levels on other rates in the traffic group. As long as the rates are measured against a consistent cost standard, the relative markups can be determined in order to allocate the excess SARR revenues over SAC. AEP Texas Rebuttal at III-G-46 to 47. The average marginal costs for a movement can be determined using publicly available Phase III URCS data for the defendant railroad in the base year of the SAC analysis. AEP Texas Opening at III-G-32 to 33. The SARR revenue per ton attributable to each member of the traffic group then can be compared to the appropriate marginal cost figure, based upon distance, to arrive at the relative markups. *Id.* at 32 to 33.

The calculation of system average marginal costs in this manner has come under attack as not determining shipper-specific marginal costs with certainty. BNSF Reply at III-G-36 to 40. However, the Board and ICC each have recognized that complex precision must be tempered with practicality when determining a workable regulatory formula. *Public Service Company of Colorado d/b/a/ Xcel Energy v. The Burlington N. and Sante Fe Rwy. Co.*, STB Docket No. 42057, slip op. at 16 (STB Served June 7, 2004) (“PSCo”); *Coal Rate Guidelines*, 1 I.C.C. 2d at 544. The marginal cost calculations in this instance are used to estimate the percentage markup for each movement. The estimated markups are used to infer the relative demand elasticities. The use of system average costs is sufficient for such a purpose. AEP Texas Rebuttal at III-G-46 to 47.

An example of the calculation of the resulting percent markups for each movement can be seen in Exhibit III-H-1 of AEP Texas' Opening Evidence, attached hereto as Exhibit B.

### **3. Allocation of Excess Revenues**

The goal of GPRM is to allocate excess revenues over SAC in a manner which simultaneously provides reductions to all shippers in a group whose contributions exceed marginal costs, and closely maintains the relative relationship of each shipper's respective demand elasticity to every other shipper's.

It is possible that some shippers in the traffic group will have rates below marginal costs. If a shipper's rate is below marginal cost, a reduction would be improper as it would push that shipper's price away from optimum efficiency. Such a shipper's rate should not be increased either, however, as the *Coal Rate Guidelines* do not contemplate increasing rates on non-issue traffic. Therefore, under GPRM, a rate that is already at or below marginal cost will remain unchanged. AEP Texas Brief at 21 n.69.

For shippers whose rates are above marginal costs, GPRM allocates the excess revenues. First, each movement's revenue contribution in excess of marginal costs is determined as follows:

$$(1) \quad M_i = (P_i - MC_i) Q_i, \text{ where}$$

$M_i$  = aggregate contribution over marginal cost

$P_i$  = original rate per ton

$MC_i$  = marginal cost

$Q_i$  = movement volume

Once these contributions over marginal costs are totaled ( $M = \sum M_i$ ), each movement's decimal share of the total ( $S_i$ ) can be calculated:

$$(2) \quad S_i = M_i / M$$

Next, the excess revenue over SAC is allocated, which determines the measure of relief ( $d_i$ ) assigned to each member of the group:

$$(3) \quad d_i = S_i D, \text{ where}$$

$D$  = the total excess revenue over SAC.

This allows each member's adjusted contribution over marginal cost (such that total revenues equal SAC) to be determined ( $M_i - d_i$ ), which is converted to a per ton basis:

$$(4) \quad (M_i - d_i) / Q_i$$

Adding back the original marginal cost yields the new rate for each movement:

$$(5) \quad [(M_i - d_i) / Q_i] + MC_i$$

AEP Texas Brief at 21 to 22.

An example of the application of this methodology is shown in Counsel's Exhibit No. 1 to the Brief of AEP Texas, attached hereto as Exhibit C.

**C. The GPRM is Consistent with Ramsey Pricing Principles**

Under GPRM, relief is allocated in the same manner as prices initially were presumed to have been set or increased, that is, shippers with the least elasticity experience a greater percentage change in pricing (whether prices are increasing or decreasing). Such an approach is consistent with Ramsey principles, because GPRM ensures that shippers whose demand elasticities exposed them to the greatest price markups over marginal costs when overall carrier revenues were raised experience correspondingly greater price reductions when the SAC test points to a reduction in the overall SARR revenues. AEP Texas Opening at III-G-30 to 31; AEP Texas Rebuttal at III-G-37; AEP Texas Brief at 22.

GPRM also eliminates the risk of gaming. Under GPRM, as rate markups increase so does the amount of rate relief offered, thereby offsetting the effects of any attempt by a carrier to dramatically increase prices before a rate case begins. The reduction would be based on the markup over marginal costs. GPRM resolves the gaming issue by ensuring that the end result is not based on the initial price set by the railroad. AEP Texas Opening at III-G-31.

In addition to consistency with Ramsey principles and prevention of gaming, there are other reasons to use GPRM in SAC cases. First, the allocation under GPRM is efficient and fair. By allocating relatively greater rate relief to movements with less elastic demand, the greatest amount of total consumer surplus is recaptured. As the

inelastic demand traffic shoulders the burden of the largest markups in prices in order to address revenue inadequacies, it is entitled the largest relief in instances of excess revenues. GPRM accomplishes this by providing parallel treatment in situations of revenue inadequacy and excess SARR revenue over SAC. AEP Texas Rebuttal at III-G-43 to 44.

GPRM also obtains the most accurate results without additional burden. GPRM follows Ramsey pricing principles closely, but eliminates much of the complexity associated with pure Ramsey pricing. This allows the Board to prescribe rates that are based on the demand elasticity of shippers, without utilizing a method that would be too costly and complex to administer. GPRM does not require additional discovery, or a significant change in the burden of presenting or reviewing evidence, and yields results superior to those obtained under percent reduction. Such an approach is consistent the ICC's original intent in the *Coal Rate Guidelines*. 1 I.C.C.2d at 527.

### **III. REVENUE ALLOCATION FOR CROSS-OVER TRAFFIC**

In calculating the division of revenues on cross-over traffic in its SAC evidence, AEP Texas relied upon the MSP methodology used by the Board in the past five coal rate reasonableness cases.<sup>6</sup> For the reasons explained in detail in the Joint

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<sup>6</sup> *Otter Tail Power Company v. BNSF Rwy. Co.*, STB Docket No. 42071, slip op. at 19 (STB Served Jan. 27, 2006); *PSCo* at 17-19; *Duke Energy Corp. v. CSX*

(continued...)

Comments of the Coal Shippers, the Board should continue to apply the MSP methodology in *Docket No. 41191 (Sub-No.1)*.

#### IV. INDEXING OPERATING EXPENSES

The indexing of stand-alone operating expenses has been a controversial matter in most recent SAC cases. In general, the parties have debated whether a SARR, as an optimally efficient carrier, could expect to realize productivity gains in the future that would offset or moderate the effects of price inflation on the SARR's operating costs. *Decision* at 20. In the *Decision*, the Board once again acknowledged that a SARR can be expected to experience productivity gains over its life, and proposed a 20-year phase-in from the RCAF-U to the RCAF-A. *Decision* at 21.

In *Docket No. 41191 (Sub-No. 1)*, AEP Texas proposed an indexing methodology that relied upon the same measure of expected future rail productivity incorporated in the EIA's forecast of coal transportation revenue growth – the index used by the Board to adjust future SARR revenues. See AEP Texas Opening at III-G-9 to 14; AEP Texas Rebuttal at III-G-6 to 13; AEP Texas Brief at 17 to 19.

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<sup>6</sup>(...continued)

*Transportation, Inc.*, STB Docket No. 42070, slip op. at 20-22 (STB Served Feb. 3, 2004); *Carolina Power & Light Co. v. Norfolk Southern Rwy.*, STB Docket No. 42072, slip op. at 20-21 (STB Served Dec. 22, 2003) (“CP&L”); *Duke Energy Corp. v. Norfolk Southern Rwy.*, STB Docket No. 42069, slip op. at 20-25 (STB Served Nov. 5, 2003).

In the Joint Comments, the Coal Shippers explain why the Board's suggested formula is inadequate to capture SARR productivity gains, and have proposed an alternative mechanism that is RCAF-based and, therefore, easier to apply than the methodology proposed by AEP Texas in *Docket No. 41191 (Sub-No. 1)*. Because the Coal Shippers' approach is easier to apply and yields equally reliable results, AEP Texas supports its adoption and application in *Docket No. 41191 (Sub-No. 1)*.

## **V. MOVEMENT-SPECIFIC ADJUSTMENTS TO URCS**

The Board's jurisdiction only extends over rates set by a carrier found to possess market dominance over the traffic involved. As part of this test, if a carrier shows that the revenues received for transporting the movements at issue are less than 180% of the variable cost of providing that service, then the carrier is presumed not to have market dominance. Thus, in the event that the Board finds a rate to be unreasonable, it may not prescribe a rate below this 180% threshold. The basic formula for the determination of variable costs is the URCS general costing system. However, the Board has long recognized the legitimacy of movement-specific adjustments to URCS system average costs to reflect the acknowledged efficiencies of unit train coal service.<sup>7</sup>

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<sup>7</sup> *Texas Municipal Power Agency v. The Burlington Northern and Santa Fe Ry.*, STB Docket No. 42056, slip op. at 10, 41 (STB served March 24, 2003); *CP&L* at 114; *Wisconsin Power and Light Co. v. Union Pacific R.R.*, STB Docket No. 42051, slip op. at 38-39 (STB served Sept. 13, 2001); *FMC Wyoming Corp. v. Union Pacific R.R.*, STB (continued...)

Notwithstanding this history, the Board in the *Decision* proposed to eliminate the use of movement-specific adjustments in the calculation of variable costs.

AEP Texas incorporates the Joint Comments of the Coal Shippers with respect to the continued recognition of movement-specific adjustments to system average costs. AEP Texas also submits that it would be wholly inappropriate to apply any change in variable cost methodology to the record in *Docket No. 41191 (Sub-No. 1)*. Because the variable cost portion of the evidence in AEP Texas' case is completed, no changes to the development or presentation burden can be claimed, and there is no legitimate basis on which to dismiss or ignore it. Irrespective of the outcome of this proceeding, the Board should calculate variable costs in *Docket No. 41191 (Sub-No. 1)* on the basis of the existing record.

## **VI. STAND ALONE COST ANALYSIS PERIOD**

In SAC cases, the Board analyzes the revenue requirements of the SARR and the revenues generated by the traffic group over a twenty year period. This same discounted cash-flow period also sets the potential temporal limit of a rate prescription.

*Decision* at 29.

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<sup>7</sup>(...continued)

Docket No. 42022, slip op. at 48 (STB served May 12, 2000); *West Texas Utilities Co. v. Burlington Northern R.R.*, 1 S.T.B. 638, 717 (1996); *San Antonio, Texas, Acting By and Through its City Public Service Board v. Burlington Northern R.R.*, 1 I.C.C.2d 561, 569 (1986).

In the *Decision*, the Board proposed to shorten the analysis period to 10 years. However, the Board also indicated that absent compelling circumstances, it would not apply this change in *Docket No. 41191 (Sub-No. 1)*. The Board reasoned that:

the record has been developed based on a SARR designed to handle peak demand in a 20-year analysis period. Shortening the analysis period could require the submission of an essentially new SAC case.

*Decision* at 2. AEP Texas agrees that the Board should not shorten the SAC analysis period in *Docket No. 41191 (Sub-No. 1)*, as such a change would entail significant expense due to the additional cost of analyzing the costs, rates and revenues over a different time period, and the re-submission of substantial portions of the evidence in this case. AEP Texas asks that the Board confirm its decision to utilize the 20-year SAC analysis period in *Docket No. 41191 (Sub-No. 1)*.

## **VII. STANDARDS FOR REOPENING OR VACATING RATE PRESCRIPTION**

The Board's final proposal relates to the standards and procedures to be applied in evaluating petitions for the reopening or vacation of pre-existing rate prescriptions. *Decision* at 31-38. These issues are squarely presented in the pleadings now pending in *Docket No. 41191*. AEP Texas incorporates the positions of the Coal Shippers regarding these questions, and urges adoption of those standards by the Board.

## CONCLUSION

AEP Texas submits that the Board should resolve the issues raised in its *Decision* in the manner described herein, and in the Joint Comments of the Coal Shippers.

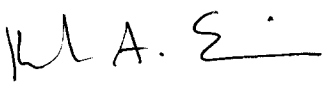
Respectfully submitted,

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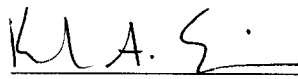
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Dated: May 1, 2006

Attorneys & Practitioners

**CERTIFICATE OF SERVICE**

I hereby certify that on this 1st day of May, 2006, I caused a copy of the foregoing Opening Comments of AEP Texas North Company and accompanying cover letter to be served upon all parties on the service lists in these proceedings.

  
\_\_\_\_\_  
Kendra A. Ericson

# Exhibit A

## Ramsey Pricing Principles and the Generalized Percentage Reduction Method

### 1. The Theoretical Basis for Ramsey Pricing

The objective of Ramsey pricing is to maximize economic value while allowing the supplier just to recover costs. Alternatively, this can be viewed as recovering fixed costs by raising prices differentially above marginal cost in a manner than minimizes economic inefficiency or deadweight loss.

The constrained optimization, also called a "second-best" problem,<sup>1</sup> is

$$\begin{aligned} \text{Maximize}_{P_i, \lambda} \quad & \sum_i \int -Q_i(P_i) dP_i + \sum P_i Q_i(P_i) - C(Q_1(P_1), Q_2(P_2), \dots, Q_n(P_n)) \\ & + \lambda [\sum P_i Q_i(P_i) - C(Q_1(P_1), Q_2(P_2), \dots, Q_n(P_n)) - F] \end{aligned} \quad (1)$$

where  $Q_i$ s are outputs,  $P_i$ s are prices,  $C$  is variable cost,  $F$  is fixed cost and  $\lambda$  is the LaGrange multiplier on the breakeven constraint.

The first-order conditions to the Ramsey pricing problem are

$$-Q_i + (Q_i + P_i \partial Q_i / \partial P_i) - MC_i \partial Q_i / \partial P_i + \lambda [(Q_i + P_i \partial Q_i / \partial P_i) - MC_i \partial Q_i / \partial P_i] = 0 \quad (2a)$$

$$\sum P_i Q_i(P_i) - C(Q_1(P_1), Q_2(P_2), \dots, Q_n(P_n)) - F = 0 \quad (2b)$$

where  $MC_i$  is the marginal cost in the  $i$ th market.

The first term in equation (2a),  $-Q_i$ , indicates the marginal loss of consumer surplus as price in the  $i$ th market is increased. The second term,  $(Q_i + P_i \partial Q_i / \partial P_i)$ , is the marginal revenue to the supplier resulting from increasing the  $i$ th price.  $-MC_i \partial Q_i / \partial P_i$  is

<sup>1</sup> Marginal cost pricing, also called "first-best" pricing, maximizes the economic value in allocating resources, but may result in economic losses for the supplier.

the marginal decrease in cost to the supplier as the  $i$ th price is increased. Finally, the last term in equation (2a) indicates how the breakeven constraint, equation (2b), changes as the  $i$ th price is increased.

## 2. The Generalized Percentage Reduction Rule

Using the definition of the price elasticity of demand, Equation (2a) can be manipulated to give

$$[(P_i - MC_i)/P_i] = [\lambda/(1+\lambda)] (-1/\varepsilon_i) \quad (3)$$

where  $\varepsilon_i$  is the price elasticity of demand in the  $i$ th market. This result shows that the optimal markup of price over marginal cost is inversely proportional to the price elasticity of demand in the market.

Combining the first-order conditions given by equation (3), yields

$$[(P_i - MC_i)/P_i] / [(P_j - MC_j)/P_j] = E_{ji} \quad (4)$$

where  $E_{ji}$  is the relative elasticity of demand given by  $\varepsilon_j/\varepsilon_i$ . This result shows that Ramsey pricing implies that the *ratios of price markups* are determined by the relative elasticities.

Equation (4) can be rearranged to give

$$1 - MC_i/P_i = (1 - MC_j/P_j) E_{ji} \quad (5)$$

Treating  $MC_i$ ,  $MC_j$  and  $E_{ji}$  as constants and differentiating equation (5) gives

$$(MC_i/P_i^2)dP_i = (MC_j/P_j^2) E_{ji} dP_j \quad (6)$$

which can be reorganized as

$$(dP_i/P_i) / (dP_j/P_j) = (P_i/P_j) (MC_j/MC_i) E_{ji} \quad (7)$$

*Equation (7) is the generalization of the percentage reduction rule that remains consistent with Ramsey pricing.* The left-hand side of the equation is the percentage change in the price in market  $i$  divided by the percentage change in the price in market  $j$ .

The current equal percentage reduction rule is a special case of the generalized percentage reduction rule (i.e., the left-hand side of equation (7) is 1). An equal percentage reduction is only appropriate when the relative elasticity of demand is 1. However, this is the degenerative case where differentiated pricing, as called for by Ramsey principles, produces no efficiency gains relative to an equal percentage reduction rule.<sup>2</sup>

### **3. Relative Percentage Reductions and Absolute Percentage Reductions**

The generalized percentage reduction rule solves the problem of the relative percentages by which to reduce prices. However, as with the current equal percentage reduction rule, the question of the absolute level of individual price reductions remains unanswered. At a minimum, rates need to be reduced on average by the percent of excess revenue collection.<sup>3</sup> In arriving at the overall required average reduction, individual price reductions are determined based on relative elasticities of demand.

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<sup>2</sup> Differentiated pricing means different price to marginal cost ratios in different markets. As seen in equation (3), Ramsey pricing improves efficiency, or more accurately minimizes pricing inefficiency, by differentiated pricing according to an inverse elasticity rule. However, if the demand elasticities are the same, then no efficiency gain can be obtained by differentiated pricing.

<sup>3</sup> This conclusion is based upon the assumption of constant or decreasing marginal costs.

#### 4. Simple Example of the Generalized Percentage Reduction Method

We use a simple three-shipper example to illustrate the generalized percentage reduction method for a SARR.

##### Demand and Cost Structures

The demands for rail services by the shippers are given by the following constant elasticity of demand equations:

$$D1: \quad Q_1 = 100 P_1^{-0.5}$$

$$D2: \quad Q_2 = 100 P_2^{-1.0}$$

$$D3: \quad Q_3 = 100 P_3^{-1.25}$$

D1, D2 and D3 are referred to as “inelastic” ( $\epsilon_1 = -0.5$ ), “unit elastic” ( $\epsilon_2 = -1.0$ ) and “elastic” ( $\epsilon_3 = -1.25$ ), respectively.

The SARR cost structure is

$$\begin{aligned} \text{SAC} &= \$50 + \$4 + \$8 + \$12 + \$1 Q_1 + \$1 Q_2 + \$1 Q_3 \\ &= \$74 + Q_1 + Q_2 + Q_3. \end{aligned}$$

That is, the fixed cost is \$74 and the marginal cost to serve each shipper is \$1.

Furthermore, the fixed cost can be separated into unattributable common cost of \$50 and shipper-specific attributable fixed costs of \$4, \$8 and \$12, for the inelastic, unit elastic and elastic shippers, respectively.

##### Ramsey Prices

Pricing at marginal cost for each shipper, while efficient, would result in a revenue shortfall of \$74. Thus, it is necessary to raise price above marginal cost.<sup>4</sup> As

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<sup>4</sup> A non-linear pricing structure (a non-volumetric fee + a per-unit charge) can reduce the required per-unit price markup.

discussed above, Ramsey prices minimize the efficiency loss from raising prices above marginal costs by marking up prices in inverse proportion to the elasticity of demand. For this example, the Ramsey prices and resulting quantities and contributions to margin are

$$P_1 = \$1.53 \quad Q_1 = 80.72 \quad CTM_1 = \$39.16$$

$$P_2 = \$1.21 \quad Q_2 = 82.58 \quad CTM_2 = \$9.42$$

$$P_3 = \$1.16 \quad Q_3 = 82.90 \quad CTM_3 = \$1.42$$

#### Impact of Cost Decreases

Now, assume that the common cost, shipper-specific fixed costs and shipper-specific marginal costs each decrease by 20%. At the above Ramsey prices, revenues would now exceed SAC by 25%. Following the generalized percentage reduction method, which embodies the Ramsey pricing principles, the prices would be reduced by 30%, 24% and 23%, respectively, for the inelastic, unit elastic and elastic shippers. The new Ramsey prices, quantities and CTMs are

$$P_1 = \$1.07 \quad Q_1 = 96.52 \quad CTM_1 = \$23.18$$

$$P_2 = \$0.92 \quad Q_2 = 109.08 \quad CTM_2 = \$9.53$$

$$P_3 = \$0.89 \quad Q_3 = 115.56 \quad CTM_3 = \$7.29$$

In contrast, the equal percentage reduction method would require a price decrease of 26% for all three shippers to eliminate the excess revenue.

# Exhibit B

**TABLE A: TNRR ANNUAL COST OF CAPITAL**

| Year | Industry<br>Cost of<br>Capital<br>(2) | Industry<br>Cost of<br>Debt<br>(3) | Industry<br>Cost of<br>Preferred<br>Equity<br>(4) | Industry<br>Cost of<br>Equity<br>(5) | TNRR's<br>Cost of<br>Preferred<br>Equity<br>(7) | TNRR's<br>Cost of<br>Equity<br>(8) | Debt as a<br>Percent<br>of Total<br>Investment<br>(9) | Preferred<br>Equity as a<br>Percent<br>of Total<br>Investment<br>(10) | Equity as a<br>Percent<br>of Total<br>Investment<br>(11) | Composite<br>Cost of<br>Capital<br>(12) | 1 +<br>Cost of<br>Capital<br>(13) | STB<br>Prescribed<br>Debt as a %<br>of Capital<br>(14) | STB<br>Prescribed<br>Preferred<br>Equity as a %<br>of Capital<br>(15) |
|------|---------------------------------------|------------------------------------|---------------------------------------------------|--------------------------------------|-------------------------------------------------|------------------------------------|-------------------------------------------------------|-----------------------------------------------------------------------|----------------------------------------------------------|-----------------------------------------|-----------------------------------|--------------------------------------------------------|-----------------------------------------------------------------------|
| 1998 | 1/ 10.69%                             | 6.64%                              | 6.19%                                             | 13.11%                               | 6.19%                                           | 13.11%                             | 36.01%                                                | 1.35%                                                                 | 62.64%                                                   | 10.69%                                  | 1.1069                            | 36.01%                                                 | 1.35%                                                                 |
| 1999 | 2/ 10.76%                             | 7.20%                              | 6.30%                                             | 12.90%                               | 6.30%                                           | 12.90%                             | 35.50%                                                | 1.80%                                                                 | 62.70%                                                   | 10.76%                                  | 1.1076                            | 35.50%                                                 | 1.80%                                                                 |
| 2000 | 3/ 11.57%                             | 8.00%                              | 6.30%                                             | 13.90%                               | 6.30%                                           | 13.90%                             | 37.14%                                                | 1.88%                                                                 | 60.98%                                                   | 11.57%                                  | 1.1157                            | 45.40%                                                 | 2.50%                                                                 |
| 2001 | 4/ 10.48%                             | 6.88%                              | 6.26%                                             | 12.80%                               | 6.29%                                           | 12.80%                             | 37.14%                                                | 1.88%                                                                 | 60.98%                                                   | 10.63%                                  | 1.1063                            |                                                        |                                                                       |
| 2002 | 5/ 9.80%                              | 6.00%                              | 6.30%                                             | 12.60%                               | 6.30%                                           | 12.60%                             | 41.20%                                                | 2.10%                                                                 | 56.70%                                                   | 9.80%                                   | 1.0980                            | 41.20%                                                 | 2.10%                                                                 |
| 2003 |                                       | 6.00%                              | 6.30%                                             | 12.60%                               | 6.30%                                           | 12.60%                             | 41.20%                                                | 2.10%                                                                 | 56.70%                                                   | 9.80%                                   | 1.0980                            |                                                        |                                                                       |
| 2004 |                                       | 6.00%                              | 6.30%                                             | 12.60%                               | 6.30%                                           | 12.60%                             | 41.20%                                                | 2.10%                                                                 | 56.70%                                                   | 9.80%                                   | 1.0980                            |                                                        |                                                                       |
| 2005 |                                       | 6.00%                              | 6.30%                                             | 12.60%                               | 6.30%                                           | 12.60%                             | 41.20%                                                | 2.10%                                                                 | 56.70%                                                   | 9.80%                                   | 1.0980                            |                                                        |                                                                       |
| 2006 |                                       | 6.00%                              | 6.30%                                             | 12.60%                               | 6.30%                                           | 12.60%                             | 41.20%                                                | 2.10%                                                                 | 56.70%                                                   | 9.80%                                   | 1.0980                            |                                                        |                                                                       |
| 2007 |                                       | 6.00%                              | 6.30%                                             | 12.60%                               | 6.30%                                           | 12.60%                             | 41.20%                                                | 2.10%                                                                 | 56.70%                                                   | 9.80%                                   | 1.0980                            |                                                        |                                                                       |
| 2008 |                                       | 6.00%                              | 6.30%                                             | 12.60%                               | 6.30%                                           | 12.60%                             | 41.20%                                                | 2.10%                                                                 | 56.70%                                                   | 9.80%                                   | 1.0980                            |                                                        |                                                                       |
| 2009 |                                       | 6.00%                              | 6.30%                                             | 12.60%                               | 6.30%                                           | 12.60%                             | 41.20%                                                | 2.10%                                                                 | 56.70%                                                   | 9.80%                                   | 1.0980                            |                                                        |                                                                       |
| 2010 |                                       | 6.00%                              | 6.30%                                             | 12.60%                               | 6.30%                                           | 12.60%                             | 41.20%                                                | 2.10%                                                                 | 56.70%                                                   | 9.80%                                   | 1.0980                            |                                                        |                                                                       |
| 2011 |                                       | 6.00%                              | 6.30%                                             | 12.60%                               | 6.30%                                           | 12.60%                             | 41.20%                                                | 2.10%                                                                 | 56.70%                                                   | 9.80%                                   | 1.0980                            |                                                        |                                                                       |
| 2012 |                                       | 6.00%                              | 6.30%                                             | 12.60%                               | 6.30%                                           | 12.60%                             | 41.20%                                                | 2.10%                                                                 | 56.70%                                                   | 9.80%                                   | 1.0980                            |                                                        |                                                                       |
| 2013 |                                       | 6.00%                              | 6.30%                                             | 12.60%                               | 6.30%                                           | 12.60%                             | 41.20%                                                | 2.10%                                                                 | 56.70%                                                   | 9.80%                                   | 1.0980                            |                                                        |                                                                       |
| 2014 |                                       | 6.00%                              | 6.30%                                             | 12.60%                               | 6.30%                                           | 12.60%                             | 41.20%                                                | 2.10%                                                                 | 56.70%                                                   | 9.80%                                   | 1.0980                            |                                                        |                                                                       |
| 2015 |                                       | 6.00%                              | 6.30%                                             | 12.60%                               | 6.30%                                           | 12.60%                             | 41.20%                                                | 2.10%                                                                 | 56.70%                                                   | 9.80%                                   | 1.0980                            |                                                        |                                                                       |
| 2016 |                                       | 6.00%                              | 6.30%                                             | 12.60%                               | 6.30%                                           | 12.60%                             | 41.20%                                                | 2.10%                                                                 | 56.70%                                                   | 9.80%                                   | 1.0980                            |                                                        |                                                                       |
| 2017 |                                       | 6.00%                              | 6.30%                                             | 12.60%                               | 6.30%                                           | 12.60%                             | 41.20%                                                | 2.10%                                                                 | 56.70%                                                   | 9.80%                                   | 1.0980                            |                                                        |                                                                       |
| 2018 |                                       | 6.00%                              | 6.30%                                             | 12.60%                               | 6.30%                                           | 12.60%                             | 41.20%                                                | 2.10%                                                                 | 56.70%                                                   | 9.80%                                   | 1.0980                            |                                                        |                                                                       |
| 2019 |                                       | 6.00%                              | 6.30%                                             | 12.60%                               | 6.30%                                           | 12.60%                             | 41.20%                                                | 2.10%                                                                 | 56.70%                                                   | 9.80%                                   | 1.0980                            |                                                        |                                                                       |
| 2020 |                                       | 6.00%                              | 6.30%                                             | 12.60%                               | 6.30%                                           | 12.60%                             | 41.20%                                                | 2.10%                                                                 | 56.70%                                                   | 9.80%                                   | 1.0980                            |                                                        |                                                                       |

- 1/ Decision in STB Ex Parte No. 558 (Sub No. 2) - Railroad Cost of Capital - 1998.  
2/ Decision in STB Ex Parte No. 558 (Sub No. 3) - Railroad Cost of Capital - 1999.  
3/ Decision in STB Ex Parte No. 558 (Sub No. 4) - Railroad Cost of Capital - 2000.  
4/ Decision in STB Ex Parte No. 558 (Sub No. 5) - Railroad Cost of Capital - 2001.  
5/ Decision in STB Ex Parte No. 558 (Sub No. 6) - Railroad Cost of Capital - 2002.

TABLE B: TNRR INFLATION INDEXES

| Period<br>(1) | Land 2/<br>(2) | RCAF-EIA 3/<br>(3) | MWSExFuel 4/<br>(4) | Mat & Suppl 5/<br>(5) | Wages & Supps 6/<br>(6) |
|---------------|----------------|--------------------|---------------------|-----------------------|-------------------------|
| 1998 1 Qtr    | 100.0          |                    | 295.5               | 234.0                 | 308.5                   |
| 1998 2 Qtr    | 100.7          |                    | 294.7               | 231.3                 | 308.1                   |
| 1998 3 Qtr    | 101.4          |                    | 292.6               | 232.7                 | 305.2                   |
| 1998 4 Qtr    | 102.1          |                    | 292.6               | 231.0                 | 305.6                   |
| 1999 1 Qtr    | 102.8          |                    | 290.7               | 229.3                 | 303.7                   |
| 1999 2 Qtr    | 103.5          |                    | 290.8               | 229.1                 | 303.8                   |
| 1999 3 Qtr    | 104.3          |                    | 294.3               | 233.1                 | 307.2                   |
| 1999 4 Qtr    | 105.0          |                    | 293.8               | 231.5                 | 306.9                   |
| 2000 1 Qtr    | 105.7          |                    | 305.8               | 227.5                 | 322.0                   |
| 2000 2 Qtr    | 106.5          | 0.516              | 305.6               | 226.4                 | 322.0                   |
| 2000 3 Qtr    | 107.2          | 0.514              | 309.0               | 229.4                 | 325.4                   |
| 2000 4 Qtr    | 108.0          | 0.517              | 309.1               | 230.0                 | 325.4                   |
| 2001 1 Qtr    | 108.7          | 0.526              | 316.6               | 228.9                 | 334.4                   |
| 2001 2 Qtr    | 109.5          | 0.519              | 318.1               | 234.9                 | 335.3                   |
| 2001 3 Qtr    | 110.2          | 0.519              | 320.5               | 235.5                 | 338.0                   |
| 2001 4 Qtr    | 111.0          | 0.516              | 320.5               | 235.6                 | 338.0                   |
| 2002 1 Qtr    | 111.8          | 0.513              | 329.9               | 234.6                 | 349.4                   |
| 2002 2 Qtr    | 112.6          | 0.503              | 329.8               | 233.5                 | 349.3                   |
| 2002 3 Qtr    | 113.4          | 0.500              | 331.9               | 226.3                 | 353.2                   |
| 2002 4 Qtr    | 114.1          | 0.519              | 330.8               | 218.0                 | 353.4                   |
| 2003 1 Qtr    | 114.9          | 0.514              | 335.0               | 213.1                 | 359.3                   |
| 2003 2 Qtr    | 115.7          | 0.522              | 339.1               | 235.4                 | 360.1                   |
| 2003 3 Qtr    | 116.6          | 0.523              | 343.2               | 232.0                 | 365.6                   |
| 2003 4 Qtr    | 117.4          | 0.520              | 343.5               | 235.6                 | 365.3                   |
| 2004 1 Qtr    | 118.2          | 0.519              | 345.2               | 235.6                 | 367.5                   |
| 2004 2 Qtr    | 119.0          | 0.517              | 345.3               | 234.7                 | 367.9                   |
| 2004 3 Qtr    | 119.8          | 0.522              | 350.3               | 235.4                 | 374.1                   |
| 2004 4 Qtr    | 120.7          | 0.527              | 354.4               | 236.3                 | 379.0                   |
| 2005 1 Qtr    | 121.5          | 0.526              | 356.1               | 236.3                 | 381.3                   |
| 2005 2 Qtr    | 122.4          | 0.525              | 356.4               | 236.3                 | 381.6                   |
| 2005 3 Qtr    | 123.2          | 0.526              | 356.6               | 236.8                 | 384.3                   |
| 2005 4 Qtr    | 124.1          | 0.529              | 359.1               | 237.5                 | 384.7                   |
| 2006 1 Qtr    | 125.0          | 0.534              | 361.7               | 238.2                 | 387.9                   |
| 2006 2 Qtr    | 125.8          | 0.531              | 364.4               | 238.9                 | 391.0                   |
| 2006 3 Qtr    | 126.7          | 0.529              | 367.0               | 239.6                 | 394.2                   |
| 2006 4 Qtr    | 127.6          | 0.527              | 369.7               | 240.3                 | 397.4                   |
| 2007 1 Qtr    | 128.5          | 0.537              | 372.2               | 241.2                 | 400.4                   |
| 2007 2 Qtr    | 129.4          | 0.536              | 374.7               | 242.1                 | 403.3                   |
| 2007 3 Qtr    | 130.3          | 0.535              | 377.3               | 243.0                 | 406.3                   |
| 2007 4 Qtr    | 131.2          | 0.533              | 379.9               | 243.9                 | 409.3                   |
| 2008 1 Qtr    | 132.1          | 0.544              | 382.3               | 244.8                 | 412.3                   |
| 2008 2 Qtr    | 133.0          | 0.542              | 384.8               | 245.6                 | 415.2                   |
| 2008 3 Qtr    | 134.0          | 0.541              | 387.4               | 246.5                 | 418.2                   |
| 2008 4 Qtr    | 134.9          | 0.539              | 389.9               | 247.4                 | 421.2                   |
| 2009 1 Qtr    | 135.8          | 0.550              | 392.6               | 248.2                 | 424.4                   |
| 2009 2 Qtr    | 136.8          | 0.549              | 395.3               | 249.0                 | 427.7                   |
| 2009 3 Qtr    | 137.7          | 0.547              | 398.1               | 249.8                 | 431.0                   |
| 2009 4 Qtr    | 138.7          | 0.545              | 400.8               | 250.6                 | 434.3                   |
| 2010 1 Qtr    | 139.7          | 0.556              | 403.5               | 251.4                 | 437.5                   |
| 2010 2 Qtr    | 140.7          | 0.555              | 406.2               | 252.2                 | 440.7                   |
| 2010 3 Qtr    | 141.6          | 0.553              | 408.9               | 253.0                 | 444.0                   |
| 2010 4 Qtr    | 142.5          | 0.552              | 411.7               | 253.8                 | 447.3                   |

1/ 4Q2020 + 1Q1998\*(1/21) - 1. The Annual Rate is used to develop asset replacement values at the end of asset lives.

2/ Used to index Road Property Account 2 developed in TNR Land Appreciation.xls

3/ Used to index expenses in Table K developed and shown in Exhibit III-G.

4/ Used to index Road Property Accounts 3, 6, 13, 17, 19, 20, 26, 27, and 39. Actual RCR-West indices through 4Q2003 the forecasted using Col (5) & (6).

5/ Used to index Road Property Accounts 8, 9, and 11. Actual RCR-West index through 4Q2003 and then forecasted by Global Insight Material & Supp.index

6/ Used to index Road Property Accounts 1, 1A and 12. Actual RCR-West index through 4Q2003 and then forecasted by Global Insight Labor index.

**TABLE B: TNRR INFLATION INDEXES**  
(Continued)

| <u>Period</u><br>(1)     | <u>Land 2/</u><br>(2) | <u>RCAF-EIA 3/</u><br>(3) | <u>MWSExFuel 4/</u><br>(4) | <u>Mat &amp; Suppl 5/</u><br>(5) | <u>Wages &amp; Supps 6/</u><br>(6) |
|--------------------------|-----------------------|---------------------------|----------------------------|----------------------------------|------------------------------------|
| 2011 1 Qtr               | 143.8                 | 0.564                     | 414.6                      | 254.8                            | 450.7                              |
| 2011 2 Qtr               | 145.0                 | 0.562                     | 417.5                      | 255.7                            | 454.2                              |
| 2011 3 Qtr               | 146.2                 | 0.561                     | 420.4                      | 256.7                            | 457.7                              |
| 2011 4 Qtr               | 147.4                 | 0.559                     | 423.3                      | 257.6                            | 461.2                              |
| 2012 1 Qtr               | 148.6                 | 0.571                     | 426.2                      | 258.5                            | 464.6                              |
| 2012 2 Qtr               | 149.8                 | 0.569                     | 429.1                      | 259.4                            | 468.0                              |
| 2012 3 Qtr               | 151.0                 | 0.567                     | 432.0                      | 260.3                            | 471.5                              |
| 2012 4 Qtr               | 152.3                 | 0.566                     | 434.9                      | 261.2                            | 475.0                              |
| 2013 1 Qtr               | 153.5                 | 0.578                     | 438.0                      | 262.3                            | 478.6                              |
| 2013 2 Qtr               | 154.8                 | 0.577                     | 441.0                      | 263.3                            | 482.3                              |
| 2013 3 Qtr               | 156.1                 | 0.575                     | 444.1                      | 264.4                            | 486.0                              |
| 2013 4 Qtr               | 157.4                 | 0.573                     | 447.3                      | 265.4                            | 489.7                              |
| 2014 1 Qtr               | 158.6                 | 0.586                     | 450.4                      | 266.5                            | 493.5                              |
| 2014 2 Qtr               | 160.0                 | 0.585                     | 453.6                      | 267.5                            | 497.3                              |
| 2014 3 Qtr               | 161.3                 | 0.583                     | 456.8                      | 268.6                            | 501.1                              |
| 2014 4 Qtr               | 162.6                 | 0.582                     | 460.0                      | 269.7                            | 504.9                              |
| 2015 1 Qtr               | 163.9                 | 0.595                     | 463.2                      | 270.7                            | 508.8                              |
| 2015 2 Qtr               | 165.3                 | 0.593                     | 466.5                      | 271.8                            | 512.7                              |
| 2015 3 Qtr               | 166.6                 | 0.592                     | 469.8                      | 272.9                            | 516.6                              |
| 2015 4 Qtr               | 168.0                 | 0.590                     | 473.1                      | 274.0                            | 520.6                              |
| 2016 1 Qtr               | 169.4                 | 0.603                     | 476.4                      | 275.1                            | 524.5                              |
| 2016 2 Qtr               | 170.8                 | 0.601                     | 479.8                      | 276.2                            | 528.6                              |
| 2016 3 Qtr               | 172.2                 | 0.600                     | 483.2                      | 277.3                            | 532.6                              |
| 2016 4 Qtr               | 173.6                 | 0.598                     | 486.6                      | 278.4                            | 536.7                              |
| 2017 1 Qtr               | 175.0                 | 0.611                     | 490.0                      | 279.5                            | 540.8                              |
| 2017 2 Qtr               | 176.5                 | 0.610                     | 493.4                      | 280.6                            | 545.0                              |
| 2017 3 Qtr               | 177.9                 | 0.608                     | 496.9                      | 281.7                            | 549.1                              |
| 2017 4 Qtr               | 179.4                 | 0.606                     | 500.4                      | 282.8                            | 553.3                              |
| 2018 1 Qtr               | 180.9                 | 0.620                     | 503.9                      | 283.9                            | 557.6                              |
| 2018 2 Qtr               | 182.3                 | 0.618                     | 507.5                      | 285.1                            | 561.8                              |
| 2018 3 Qtr               | 183.8                 | 0.616                     | 511.1                      | 286.2                            | 566.2                              |
| 2018 4 Qtr               | 185.4                 | 0.615                     | 514.7                      | 287.3                            | 570.5                              |
| 2019 1 Qtr               | 186.9                 | 0.629                     | 518.3                      | 288.5                            | 574.9                              |
| 2019 2 Qtr               | 188.4                 | 0.627                     | 521.9                      | 289.6                            | 579.3                              |
| 2019 3 Qtr               | 190.0                 | 0.625                     | 525.6                      | 290.8                            | 583.7                              |
| 2019 4 Qtr               | 191.5                 | 0.623                     | 529.3                      | 291.9                            | 588.2                              |
| 2020 1 Qtr               | 193.1                 | 0.637                     | 533.0                      | 293.1                            | 592.7                              |
| 2020 2 Qtr               | 194.7                 | 0.636                     | 536.8                      | 294.3                            | 597.2                              |
| 2020 3 Qtr               | 196.3                 | 0.634                     | 540.6                      | 295.4                            | 601.8                              |
| 2020 4 Qtr               | 197.9                 | 0.632                     | 544.4                      | 296.6                            | 606.4                              |
| Annual Inflation Rate 1/ | 3.15%                 | xxx                       | 2.82%                      | 1.08%                            | 3.12%                              |

1/ 4Q2020 - 1Q1998\*(1/21) - 1. The Annual Rate is used to develop asset replacement values at the end of asset lives

2/ Used to index Road Property Account 2 developed in TNRR Land Appreciation.xls

3/ Used to index expenses in Table K developed and shown in Exhibit III-G

4/ Used to index Road Property Accounts 3, 6, 13, 17, 19, 20, 26, 27, and 39. Actual RCR-West indices through 4Q2003 the forecasted using Col (5) & (6).

5/ Used to index Road Property Accounts 8, 9, and 11. Actual RCR-West index through 4Q2003 and then forecasted by Global Insight Material & Supp index.

6/ Used to index Road Property Accounts 1, 1A and 12. Actual RCR-West through 4Q2003 and then forecasted by Global Insight Labor index.

**TABLE C: TNRR ROAD PROPERTY INVESTMENT VALUES**

Construction of the TNRR occurs between January 1, 1998 and June 15, 2000.  
Investments are assumed to be in June 16, 2000 dollars.

| Road<br>Property<br>Account<br>(1) | Road<br>Property<br>Component<br>(2) | Service<br>Life In<br>Years 1/<br>(3) | Investment<br>In 3Q1998<br>Dollars 2/<br>(4) | Investment<br>In 3Q1999<br>Dollars 3/<br>(5) | Investment<br>In 6/16/2000<br>Dollars 4/<br>(6) | 1998<br>Investment<br>Value 5/<br>(7) | 1999<br>Investment<br>Value 6/<br>(8) | 2000<br>Investment<br>Value 7/<br>(9) | Total<br>Property<br>Investment<br>June 16, 2000 8/<br>(10) |
|------------------------------------|--------------------------------------|---------------------------------------|----------------------------------------------|----------------------------------------------|-------------------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|-------------------------------------------------------------|
| 1                                  | Engineering                          | NA                                    | \$129,038,482                                | \$129,884,081                                | \$137,579,037                                   | \$96,778,861                          | \$32,471,020                          | \$0                                   | \$129,249,882                                               |
| 2                                  | Land                                 | NA                                    | 88,075,652                                   | 89,934,049                                   | 89,000,000                                      | 66,056,739                            | 22,483,512                            | 0                                     | 88,540,251                                                  |
| 3                                  | Grading                              | 95                                    | 611,792,715                                  | 615,347,218                                  | 646,083,216                                     | 0                                     | 615,347,218                           | 0                                     | 615,347,218                                                 |
| 1A                                 | Training & Startup                   | NA                                    | 6,874,855                                    | 7,193,848                                    | 7,527,643                                       | 0                                     | 0                                     | 7,527,643                             | 7,527,643                                                   |
| 6                                  | Bridges & Culverts                   | 80                                    | 207,231,534                                  | 208,435,545                                  | 218,846,699                                     | 0                                     | 164,664,081                           | 45,957,807                            | 210,621,888                                                 |
| 8                                  | Ties                                 | 30                                    | 178,753,032                                  | 179,060,300                                  | 176,218,073                                     | 0                                     | 134,295,225                           | 44,054,518                            | 178,349,743                                                 |
| 9                                  | Rails and OTM                        | 26                                    | 474,934,220                                  | 475,750,609                                  | 468,199,012                                     | 0                                     | 356,812,956                           | 117,049,753                           | 473,862,709                                                 |
| 11                                 | Ballast                              | 23                                    | 188,646,483                                  | 188,970,757                                  | 185,971,221                                     | 0                                     | 141,728,068                           | 46,492,805                            | 188,220,873                                                 |
| 12                                 | Labor                                | 26                                    | 332,507,174                                  | 334,686,120                                  | 354,514,529                                     | 0                                     | 251,014,590                           | 88,628,632                            | 339,643,222                                                 |
| 13                                 | Fences and Roadway Signs             | 80                                    | 8,267,187                                    | 8,315,219                                    | 8,730,556                                       | 0                                     | 6,236,414                             | 2,182,639                             | 8,419,053                                                   |
| 16                                 | Station and Office Buildings         | 32                                    | 1,834,525                                    | 1,919,647                                    | 2,008,718                                       | 0                                     | 1,439,735                             | 502,180                               | 1,941,915                                                   |
| 17                                 | Roadway Buildings                    | 27                                    | 3,384,429                                    | 3,404,093                                    | 3,574,124                                       | 0                                     | 2,553,070                             | 893,531                               | 3,446,601                                                   |
| 19                                 | Fuel Stations                        | 31                                    | 8,216,134                                    | 8,263,869                                    | 8,676,642                                       | 0                                     | 6,197,902                             | 2,169,160                             | 8,367,062                                                   |
| 20                                 | Shops and Enginehouses               | 50                                    | 14,183,824                                   | 14,266,232                                   | 14,978,816                                      | 0                                     | 10,699,674                            | 3,744,704                             | 14,444,378                                                  |
| 26                                 | Communications Systems               | 25                                    | 13,870,073                                   | 13,950,658                                   | 14,647,480                                      | 0                                     | 10,462,994                            | 3,661,870                             | 14,124,863                                                  |
| 27                                 | Signals and interlockers             | 33                                    | 116,211,276                                  | 116,886,461                                  | 122,724,827                                     | 0                                     | 87,664,846                            | 30,681,207                            | 118,346,053                                                 |
| 39                                 | Public improvements                  | 55                                    | 10,802,912                                   | 10,865,677                                   | 11,408,407                                      | 0                                     | 8,149,258                             | 2,852,102                             | 11,001,359                                                  |
|                                    | Total                                |                                       | \$2,394,624,507                              | \$2,407,134,382                              | \$2,470,688,999                                 | \$162,835,601                         | \$1,852,220,562                       | \$396,398,551                         | \$2,411,454,713                                             |

1/ BNSF Discovery BNSF/AEPTX 00007.

2/ June 16, 2000 (Column (6)), indexed to 1998 dollars; Column (6) + Inflation Index from Table B, 2Q2000 + 3Q1998.

3/ June 16, 2000 (Column (6)), indexed to 1999 dollars; Column (6) + Inflation Index from Table B, 2Q2000 + 3Q1999.

4/ June 16, 2000 (Column (6)), indexed to June 16, 2000 dollars; Column (6) + Inflation Index from Table B, 2Q2000 + 2Q2000.

5/ Column (4) x Percent constructed in 1998 identified in Construction Schedule.xls.

6/ Column (5) x Percent constructed in 1999 identified in Construction Schedule.xls.

7/ Column (6) x Percent constructed in 2000 identified in Construction Schedule.xls.

8/ Sum of Column's (7) through (9).

**TABLE D: INTEREST DURING CONSTRUCTION**

| Month of<br>Installation<br>(1) | Cost of<br>Funds 1/<br>(2) | Timing of<br>Account 1<br>Investment 2/<br>(3) | Timing of<br>Account 2<br>Investment 2/<br>(4) | Timing of<br>Accounts<br>3 And 6<br>Investment 2/<br>(5) | Timing of<br>Accounts 8<br>Through 39<br>Investment 2/<br>(6) | Total<br>Investment<br>by Month 3/<br>(7) | Interest<br>During<br>Construction 4/<br>(8) | Cost of<br>Debt 5/<br>(9) | Deductible<br>Interest<br>During<br>Construction 6/<br>(10) |
|---------------------------------|----------------------------|------------------------------------------------|------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|-------------------------------------------|----------------------------------------------|---------------------------|-------------------------------------------------------------|
| Jan-98                          | 0.85%                      | \$8,064,905                                    |                                                |                                                          |                                                               | \$8,064,905                               | \$0                                          | 0.54%                     | 0                                                           |
| Feb-98                          | 0.85%                      | 8,064,905                                      |                                                |                                                          |                                                               | 8,064,905                                 | 68,528                                       | 0.54%                     | 15,600                                                      |
| Mar-98                          | 0.85%                      | 8,064,905                                      |                                                |                                                          |                                                               | 8,064,905                                 | 137,638                                      | 0.54%                     | 31,334                                                      |
| Apr-98                          | 0.85%                      | 8,064,905                                      |                                                |                                                          |                                                               | 8,064,905                                 | 207,335                                      | 0.54%                     | 47,200                                                      |
| May-98                          | 0.85%                      | 8,064,905                                      |                                                |                                                          |                                                               | 8,064,905                                 | 277,625                                      | 0.54%                     | 63,202                                                      |
| Jun-98                          | 0.85%                      | 8,064,905                                      |                                                |                                                          |                                                               | 8,064,905                                 | 348,512                                      | 0.54%                     | 79,339                                                      |
| Jul-98                          | 0.85%                      | 8,064,905                                      | \$11,009,457                                   |                                                          |                                                               | 19,074,362                                | 420,001                                      | 0.54%                     | 94,260                                                      |
| Aug-98                          | 0.85%                      | 8,064,905                                      | 11,009,457                                     |                                                          |                                                               | 19,074,362                                | 585,646                                      | 0.54%                     | 131,435                                                     |
| Sep-98                          | 0.85%                      | 8,064,905                                      | 11,009,457                                     |                                                          |                                                               | 19,074,362                                | 752,698                                      | 0.54%                     | 168,926                                                     |
| Oct-98                          | 0.85%                      | 8,064,905                                      | 11,009,457                                     |                                                          |                                                               | 19,074,362                                | 921,169                                      | 0.54%                     | 206,736                                                     |
| Nov-98                          | 0.85%                      | 8,064,905                                      | 11,009,457                                     |                                                          |                                                               | 19,074,362                                | 1,091,072                                    | 0.54%                     | 244,867                                                     |
| Dec-98                          | 0.85%                      | 8,064,905                                      | 11,009,457                                     |                                                          |                                                               | 19,074,362                                | 1,262,419                                    | 0.54%                     | 283,322                                                     |
| Jan-99                          | 0.86%                      | 8,117,755                                      | 11,241,756                                     |                                                          |                                                               | 19,359,511                                | 1,444,320                                    | 0.58%                     | 348,421                                                     |
| Feb-99                          | 0.86%                      | 8,117,755                                      | 11,241,756                                     | \$117,527,332                                            |                                                               | 136,886,843                               | 1,622,212                                    | 0.58%                     | 391,335                                                     |
| Mar-99                          | 0.86%                      | 8,117,755                                      |                                                | 117,527,332                                              |                                                               | 125,645,087                               | 2,806,591                                    | 0.58%                     | 677,049                                                     |
| Apr-99                          | 0.86%                      | 8,117,755                                      |                                                | 117,527,332                                              | \$113,028,303                                                 | 238,673,390                               | 3,904,970                                    | 0.58%                     | 942,017                                                     |
| May-99                          | 0.86%                      | 0                                              | 0                                              | 117,527,332                                              | 113,028,303                                                   | 230,555,635                               | 5,979,237                                    | 0.58%                     | 1,442,403                                                   |
| Jun-99                          | 0.86%                      | 0                                              | 0                                              | 117,527,332                                              | 113,028,303                                                   | 230,555,635                               | 8,001,826                                    | 0.58%                     | 1,930,323                                                   |
| Jul-99                          | 0.86%                      | 0                                              | 0                                              | 117,527,332                                              | 113,028,303                                                   | 230,555,635                               | 10,041,710                                   | 0.58%                     | 2,534,052                                                   |
| Aug-99                          | 0.86%                      | 0                                              | 0                                              | 14,969,462                                               | 113,028,303                                                   | 127,997,765                               | 12,099,038                                   | 0.58%                     | 3,053,224                                                   |
| Sep-99                          | 0.86%                      | 0                                              | 0                                              | 14,969,462                                               | 113,028,303                                                   | 127,997,765                               | 13,296,993                                   | 0.58%                     | 3,355,532                                                   |
| Oct-99                          | 0.86%                      | 0                                              | 0                                              | 14,969,462                                               | 113,028,303                                                   | 127,997,765                               | 14,505,193                                   | 0.58%                     | 3,660,424                                                   |
| Nov-99                          | 0.86%                      | 0                                              | 0                                              | 14,969,462                                               | 113,028,303                                                   | 127,997,765                               | 15,723,723                                   | 0.58%                     | 3,967,924                                                   |
| Dec-99                          | 0.86%                      | 0                                              | 0                                              | 14,969,462                                               | 113,028,303                                                   | 127,997,765                               | 16,952,674                                   | 0.58%                     | 4,278,052                                                   |
| Jan-00                          | 0.92%                      | 0                                              | 0                                              | 15,319,269                                               | 114,304,367                                                   | 129,623,636                               | 19,492,532                                   | 0.64%                     | 5,083,344                                                   |
| Feb-00                          | 0.92%                      | 0                                              | 0                                              | 15,319,269                                               | 114,304,367                                                   | 129,623,636                               | 20,858,756                                   | 0.64%                     | 5,439,633                                                   |
| Mar-00                          | 0.92%                      | 0                                              | 0                                              | 15,319,269                                               | 114,304,367                                                   | 129,623,636                               | 22,237,497                                   | 0.64%                     | 5,799,187                                                   |
| Apr-00                          | 0.92%                      | 0                                              | 0                                              | 0                                                        | 0                                                             | 0                                         | 23,628,871                                   | 0.64%                     | 6,162,036                                                   |
| May-00                          | 0.92%                      | 0                                              | 0                                              | 0                                                        | 0                                                             | 0                                         | 23,845,362                                   | 0.64%                     | 6,218,493                                                   |
| Jun-00                          | 0.92%                      | 0                                              | 0                                              | 0                                                        | 0                                                             | 0                                         | 24,063,837                                   | 0.64%                     | 6,275,468                                                   |
| Total                           |                            | \$129,249,882                                  | \$88,540,251                                   | \$825,969,106                                            | \$1,360,167,832                                               | \$2,403,927,071                           | \$246,577,983                                |                           | \$62,925,138                                                |

1/  $((1 + \text{Cost of Capital from Table A for the applicable year})^{(1/12)} - 1) \times 100$ .

2/ Applicable account value from Table C for the applicable investment period.

3/ Sum of Columns (3) through (6).

4/ Feb 98 equals Column (2) x prior Column (7), all other periods equal Column (2) x ((Sum of Column (7) for all prior periods) + (Sum of Column (8) for all prior periods)).

5/  $((1 + \text{Cost of Debt from Table A for the applicable year})^{(1/12)} - 1) \times 100$ .

6/ Feb 98 equals prior Column (7) x Column (9) x Table A, Column (9) for 1998, all other periods equal Column (9) x ((Sum of Column (7) for all prior periods) + (Sum of Column (8) for all prior periods)) x Table A, Column (9) for the applicable year.

TABLE E. TNRR AMORTIZATION SCHEDULE OF ASSETS PURCHASED WITH DEBT CAPITAL

| AMORTIZATION SCHEDULE FOR THE TNRR 1998 ROAD PROPERTY INVESTMENT FOR THE 2Q2000 START-UP |                   |                |           |           |           |         |                   |                |             |
|------------------------------------------------------------------------------------------|-------------------|----------------|-----------|-----------|-----------|---------|-------------------|----------------|-------------|
| Quarter                                                                                  | Beginning Balance | Ending Balance | Payment   | Principal | Interest  | Quarter | Beginning Balance | Ending Balance | Payment     |
| (1)                                                                                      | (2)               | (3)            | (4)       | (5)       | (6)       | (7)     | (8)               | (9)            | (10)        |
| 1                                                                                        | \$60,823,858      | \$60,816,283   | \$168,015 | \$5,578   | \$162,440 | 1       | \$695,302,662     | \$695,250,830  | \$2,061,347 |
| 2                                                                                        | 60,818,283        | 60,784,387     | 1,019,292 | 33,916    | 985,376   | 2       | 695,250,830       | 694,935,475    | 12,505,503  |
| 3                                                                                        | 60,784,387        | 60,749,902     | 1,019,292 | 34,465    | 984,827   | 3       | 694,935,475       | 694,614,591    | 12,505,503  |
| 4                                                                                        | 60,749,902        | 60,714,878     | 1,019,292 | 35,024    | 984,268   | 4       | 694,614,591       | 694,288,080    | 12,505,503  |
| 5                                                                                        | 60,714,878        | 60,679,287     | 1,019,292 | 35,591    | 983,701   | 5       | 694,288,080       | 693,955,845    | 12,505,503  |
| 6                                                                                        | 60,679,287        | 60,643,119     | 1,019,292 | 36,168    | 983,124   | 6       | 693,955,845       | 693,617,784    | 12,505,503  |
| 7                                                                                        | 60,643,119        | 60,606,368     | 1,019,292 | 36,754    | 982,538   | 7       | 693,617,784       | 693,273,796    | 12,505,503  |
| 8                                                                                        | 60,606,368        | 60,569,174     | 1,019,292 | 37,341    | 981,951   | 8       | 693,273,796       | 692,929,838    | 12,505,503  |
| 9                                                                                        | 60,569,174        | 60,531,994     | 1,019,292 | 37,928    | 981,364   | 9       | 692,929,838       | 692,585,898    | 12,505,503  |
| 10                                                                                       | 60,531,994        | 60,494,800     | 1,019,292 | 38,515    | 980,777   | 10      | 692,585,898       | 692,241,958    | 12,505,503  |
| 11                                                                                       | 60,494,800        | 60,457,606     | 1,019,292 | 39,102    | 980,190   | 11      | 692,241,958       | 691,898,018    | 12,505,503  |
| 12                                                                                       | 60,457,606        | 60,420,412     | 1,019,292 | 39,689    | 979,603   | 12      | 691,898,018       | 691,554,078    | 12,505,503  |
| 13                                                                                       | 60,420,412        | 60,383,218     | 1,019,292 | 40,276    | 979,016   | 13      | 691,554,078       | 691,209,138    | 12,505,503  |
| 14                                                                                       | 60,383,218        | 60,346,024     | 1,019,292 | 40,863    | 978,429   | 14      | 691,209,138       | 690,864,198    | 12,505,503  |
| 15                                                                                       | 60,346,024        | 60,308,830     | 1,019,292 | 41,450    | 977,842   | 15      | 690,864,198       | 690,519,258    | 12,505,503  |
| 16                                                                                       | 60,308,830        | 60,271,636     | 1,019,292 | 42,037    | 977,255   | 16      | 690,519,258       | 690,174,318    | 12,505,503  |
| 17                                                                                       | 60,271,636        | 60,234,442     | 1,019,292 | 42,624    | 976,668   | 17      | 690,174,318       | 689,829,378    | 12,505,503  |
| 18                                                                                       | 60,234,442        | 60,197,248     | 1,019,292 | 43,211    | 976,081   | 18      | 689,829,378       | 689,484,438    | 12,505,503  |
| 19                                                                                       | 60,197,248        | 60,160,054     | 1,019,292 | 43,798    | 975,494   | 19      | 689,484,438       | 689,139,498    | 12,505,503  |
| 20                                                                                       | 60,160,054        | 60,122,860     | 1,019,292 | 44,385    | 974,907   | 20      | 689,139,498       | 688,794,558    | 12,505,503  |

| AMORTIZATION SCHEDULE FOR THE TNRR 1999 ROAD PROPERTY INVESTMENT FOR THE 2Q2000 START-UP |                   |                 |                 |                 |          |         |                   |                 |                 |
|------------------------------------------------------------------------------------------|-------------------|-----------------|-----------------|-----------------|----------|---------|-------------------|-----------------|-----------------|
| Quarter                                                                                  | Beginning Balance | Ending Balance  | Payment         | Principal       | Interest | Quarter | Beginning Balance | Ending Balance  | Payment         |
| (1)                                                                                      | (2)               | (3)             | (4)             | (5)             | (6)      | (7)     | (8)               | (9)             | (10)            |
| 1                                                                                        | \$1,852,220,562   | \$1,852,220,562 | \$1,852,220,562 | \$1,852,220,562 | \$0      | 1       | \$1,852,220,562   | \$1,852,220,562 | \$1,852,220,562 |
| 2                                                                                        | 1,852,220,562     | 1,852,220,562   | 1,852,220,562   | 1,852,220,562   | 0        | 2       | 1,852,220,562     | 1,852,220,562   | 1,852,220,562   |
| 3                                                                                        | 1,852,220,562     | 1,852,220,562   | 1,852,220,562   | 1,852,220,562   | 0        | 3       | 1,852,220,562     | 1,852,220,562   | 1,852,220,562   |
| 4                                                                                        | 1,852,220,562     | 1,852,220,562   | 1,852,220,562   | 1,852,220,562   | 0        | 4       | 1,852,220,562     | 1,852,220,562   | 1,852,220,562   |
| 5                                                                                        | 1,852,220,562     | 1,852,220,562   | 1,852,220,562   | 1,852,220,562   | 0        | 5       | 1,852,220,562     | 1,852,220,562   | 1,852,220,562   |
| 6                                                                                        | 1,852,220,562     | 1,852,220,562   | 1,852,220,562   | 1,852,220,562   | 0        | 6       | 1,852,220,562     | 1,852,220,562   | 1,852,220,562   |

| AMORTIZATION SCHEDULE FOR THE TNRR 2000 ROAD PROPERTY INVESTMENT FOR THE 2Q2000 START-UP |                   |                |               |               |          |         |                   |                |               |
|------------------------------------------------------------------------------------------|-------------------|----------------|---------------|---------------|----------|---------|-------------------|----------------|---------------|
| Quarter                                                                                  | Beginning Balance | Ending Balance | Payment       | Principal     | Interest | Quarter | Beginning Balance | Ending Balance | Payment       |
| (1)                                                                                      | (2)               | (3)            | (4)           | (5)           | (6)      | (7)     | (8)               | (9)            | (10)          |
| 1                                                                                        | \$388,870,908     | \$388,870,908  | \$388,870,908 | \$388,870,908 | \$0      | 1       | \$388,870,908     | \$388,870,908  | \$388,870,908 |
| 2                                                                                        | 388,870,908       | 388,870,908    | 388,870,908   | 388,870,908   | 0        | 2       | 388,870,908       | 388,870,908    | 388,870,908   |
| 3                                                                                        | 388,870,908       | 388,870,908    | 388,870,908   | 388,870,908   | 0        | 3       | 388,870,908       | 388,870,908    | 388,870,908   |
| 4                                                                                        | 388,870,908       | 388,870,908    | 388,870,908   | 388,870,908   | 0        | 4       | 388,870,908       | 388,870,908    | 388,870,908   |
| 5                                                                                        | 388,870,908       | 388,870,908    | 388,870,908   | 388,870,908   | 0        | 5       | 388,870,908       | 388,870,908    | 388,870,908   |
| 6                                                                                        | 388,870,908       | 388,870,908    | 388,870,908   | 388,870,908   | 0        | 6       | 388,870,908       | 388,870,908    | 388,870,908   |

1/ From Table D, Column (7) for the applicable year investment.  
2/ From Table D, Column (8) for the applicable year investment.  
3/ (Total Investment - IDC) x (Proportion of Debt from Table A, Column (9)).  
4/ From Table A, Column (6) for the applicable year investment.  
5/ Weighted life of assets in years x 4.  
6/ Line 3 Principal financed over Line 5 Term at Line 4 Interest Rate on a quarterly basis.  
7/ Current quarter Beginning Balance - Principal.  
8/ Current quarter Payment - Interest.  
9/ Current quarter Beginning Balance x (1 + The Quarterly Interest Rate).

TABLE E. TNRR AMORTIZATION SCHEDULE OF ASSETS PURCHASED WITH DEBT CAPITAL  
(Continued)

| AMORTIZATION SCHEDULE FOR<br>THE TNRR 1998 ROAD PROPERTY<br>INVESTMENT FOR THE 202000 START-UP |              |                |             |           |             |         |               |                |              |
|------------------------------------------------------------------------------------------------|--------------|----------------|-------------|-----------|-------------|---------|---------------|----------------|--------------|
| Quarter                                                                                        | Balance      | Ending Balance | Payment     | Principal | Interest    | Quarter | Balance       | Ending Balance | Payment      |
| (1)                                                                                            | (2)          | (3)            | (4)         | (5)       | (6)         | (7)     | (8)           | (9)            | (10)         |
| 1                                                                                              | \$68,649,830 | \$68,591,013   | \$1,066,174 | \$58,817  | \$1,007,357 | 21      | \$796,564,190 | \$795,881,714  | \$12,371,136 |
| 2                                                                                              | 68,591,013   | 68,531,332     | 1,066,174   | 59,681    | 1,006,494   | 22      | 795,881,714   | 795,189,224    | 12,371,136   |
| 3                                                                                              | 68,531,332   | 68,470,776     | 1,066,174   | 60,556    | 1,005,618   | 23      | 795,189,224   | 794,486,572    | 12,371,136   |
| 4                                                                                              | 68,470,776   | 68,409,331     | 1,066,174   | 61,445    | 1,004,730   | 24      | 794,486,572   | 793,773,809    | 12,371,136   |
| 5                                                                                              | 68,409,331   | 68,346,985     | 1,066,174   | 62,346    | 1,003,828   | 25      | 793,773,809   | 793,050,184    | 12,371,136   |
| 6                                                                                              | 68,346,985   | 68,283,723     | 1,066,174   | 63,261    | 1,002,913   | 26      | 793,050,184   | 792,316,144    | 12,371,136   |
| 7                                                                                              | 68,283,723   | 68,219,534     | 1,066,174   | 64,190    | 1,001,985   | 27      | 792,316,144   | 791,571,333    | 12,371,136   |
| 8                                                                                              | 68,219,534   | 68,154,402     | 1,066,174   | 65,132    | 1,001,043   | 28      | 791,571,333   | 790,815,593    | 12,371,136   |
| 9                                                                                              | 68,154,402   | 68,088,315     | 1,066,174   | 66,087    | 1,000,087   | 29      | 790,815,593   | 790,048,763    | 12,371,136   |
| 10                                                                                             | 68,088,315   | 68,021,258     | 1,066,174   | 67,057    | 999,117     | 30      | 790,048,763   | 789,270,681    | 12,371,136   |
| 11                                                                                             | 68,021,258   | 67,953,217     | 1,066,174   | 68,041    | 998,133     | 31      | 789,270,681   | 788,481,181    | 12,371,136   |
| 12                                                                                             | 67,953,217   | 67,884,177     | 1,066,174   | 69,039    | 997,135     | 32      | 788,481,181   | 787,680,096    | 12,371,136   |
| 13                                                                                             | 67,884,177   | 67,814,125     | 1,066,174   | 70,053    | 996,122     | 33      | 787,680,096   | 786,867,256    | 12,371,136   |
| 14                                                                                             | 67,814,125   | 67,743,045     | 1,066,174   | 71,080    | 995,094     | 34      | 786,867,256   | 786,042,489    | 12,371,136   |
| 15                                                                                             | 67,743,045   | 67,670,921     | 1,066,174   | 72,123    | 994,051     | 35      | 786,042,489   | 785,205,619    | 12,371,136   |
| 16                                                                                             | 67,670,921   | 67,597,739     | 1,066,174   | 73,162    | 992,993     | 36      | 785,205,619   | 784,356,469    | 12,371,136   |
| 17                                                                                             | 67,597,739   | 67,523,484     | 1,066,174   | 74,256    | 991,919     | 37      | 784,356,469   | 783,494,859    | 12,371,136   |
| 18                                                                                             | 67,523,484   | 67,448,138     | 1,066,174   | 75,345    | 990,829     | 38      | 783,494,859   | 782,620,808    | 12,371,136   |
| 19                                                                                             | 67,448,138   | 67,371,687     | 1,066,174   | 76,451    | 989,724     | 39      | 782,620,808   | 781,733,524    | 12,371,136   |
| 20                                                                                             | 67,371,687   | 67,294,115     | 1,066,174   | 77,573    | 988,602     | 40      | 781,733,524   | 780,833,425    | 12,371,136   |

| AMORTIZATION SCHEDULE FOR<br>THE TNRR 1999 ROAD PROPERTY<br>INVESTMENT FOR THE 202000 START-UP |                   |     |                          |    |           |    |              |    |               |
|------------------------------------------------------------------------------------------------|-------------------|-----|--------------------------|----|-----------|----|--------------|----|---------------|
| 1                                                                                              | TOTAL INVESTMENT  | 1   | \$1,852,220,562          | 1/ | \$882,478 | 11 | \$11,888,860 | 21 | \$174,116,089 |
| 2                                                                                              | IDC               | 2/  | \$106,378,487            | 2/ | 692,491   | 11 | 11,878,846   | 22 | 173,968,910   |
| 3                                                                                              | PRINCIPAL         | 3/  | \$695,302,862            | 3/ | 702,652   | 11 | 11,668,484   | 23 | 173,815,543   |
| 4                                                                                              | INTEREST          | 4/  | 7.2%                     | 4/ | 712,963   | 11 | 11,658,174   | 24 | 173,661,955   |
| 5                                                                                              | TERM              | 5/  | 212 Quarters             | 5/ | 723,425   | 11 | 11,637,096   | 25 | 173,508,112   |
| 6                                                                                              | PAYMENT           | 6/  | \$12,505,503 Per Quarter | 6/ | 734,040   | 11 | 11,615,396   | 26 | 173,347,984   |
| 7                                                                                              | Beginning Balance | 7/  |                          |    | 744,611   | 11 | 11,593,054   | 27 | 173,187,534   |
| 8                                                                                              | Ending Balance    | 8/  |                          |    | 755,740   | 11 | 11,570,052   | 28 | 173,024,731   |
| 9                                                                                              | Payment           | 9/  |                          |    | 766,830   | 11 | 11,546,389   | 29 | 172,859,538   |
| 10                                                                                             | Principal         | 10/ |                          |    | 778,082   | 11 | 11,521,986   | 30 | 172,691,921   |
| 11                                                                                             | Interest          | 11/ |                          |    | 789,500   | 11 | 11,498,883   | 31 | 172,521,845   |
| 12                                                                                             | Quarter           | 12/ |                          |    | 801,085   | 11 | 11,474,054   | 32 | 172,349,273   |
| 13                                                                                             | Balance           | 13/ |                          |    | 812,840   | 11 | 11,448,082   | 33 | 172,174,169   |
| 14                                                                                             | Ending Balance    | 14/ |                          |    | 824,787   | 11 | 11,421,037   | 34 | 171,996,495   |
| 15                                                                                             | Payment           | 15/ |                          |    | 836,870   | 11 | 11,393,288   | 35 | 171,816,214   |
| 16                                                                                             | Principal         | 16/ |                          |    | 849,150   | 11 | 11,363,288   | 36 | 171,633,288   |
| 17                                                                                             | Interest          | 17/ |                          |    | 861,610   | 11 | 11,333,425   | 37 | 171,447,878   |
| 18                                                                                             | Quarter           | 18/ |                          |    | 874,253   | 11 | 11,302,808   | 38 | 171,259,344   |
| 19                                                                                             | Balance           | 19/ |                          |    | 887,082   | 11 | 11,271,136   | 39 | 171,068,246   |
| 20                                                                                             | Ending Balance    | 20/ |                          |    | 900,099   | 11 | 11,239,524   | 40 | 170,874,344   |

| AMORTIZATION SCHEDULE FOR<br>THE TNRR 2000 ROAD PROPERTY<br>INVESTMENT FOR THE 202000 START-UP |                   |     |                         |    |           |    |             |    |               |
|------------------------------------------------------------------------------------------------|-------------------|-----|-------------------------|----|-----------|----|-------------|----|---------------|
| 1                                                                                              | TOTAL INVESTMENT  | 1/  | \$388,870,908           | 1/ | \$149,178 | 16 | \$2,704,131 | 21 | \$173,968,910 |
| 2                                                                                              | IDC               | 2/  | \$134,126,854           | 2/ | 151,367   | 16 | 2,704,131   | 22 | 173,815,543   |
| 3                                                                                              | PRINCIPAL         | 3/  | \$194,220,544           | 3/ | 153,588   | 16 | 2,704,131   | 23 | 173,661,955   |
| 4                                                                                              | INTEREST          | 4/  | 8.0%                    | 4/ | 155,842   | 16 | 2,704,131   | 24 | 173,508,112   |
| 5                                                                                              | TERM              | 5/  | 212 Quarters            | 5/ | 158,129   | 16 | 2,704,131   | 25 | 173,347,984   |
| 6                                                                                              | PAYMENT           | 6/  | \$3,838,124 Per Quarter | 6/ | 160,449   | 16 | 2,704,131   | 26 | 173,187,534   |
| 7                                                                                              | Beginning Balance | 7/  |                         |    | 162,804   | 16 | 2,704,131   | 27 | 173,024,731   |
| 8                                                                                              | Ending Balance    | 8/  |                         |    | 165,193   | 16 | 2,704,131   | 28 | 172,859,538   |
| 9                                                                                              | Payment           | 9/  |                         |    | 167,617   | 16 | 2,704,131   | 29 | 172,691,921   |
| 10                                                                                             | Principal         | 10/ |                         |    | 170,076   | 16 | 2,704,131   | 30 | 172,521,845   |
| 11                                                                                             | Interest          | 11/ |                         |    | 172,521   | 16 | 2,704,131   | 31 | 172,349,273   |
| 12                                                                                             | Quarter           | 12/ |                         |    | 174,972   | 16 | 2,704,131   | 32 | 172,174,169   |
| 13                                                                                             | Balance           | 13/ |                         |    | 177,427   | 16 | 2,704,131   | 33 | 171,996,495   |
| 14                                                                                             | Ending Balance    | 14/ |                         |    | 180,281   | 16 | 2,704,131   | 34 | 171,816,214   |
| 15                                                                                             | Payment           | 15/ |                         |    | 182,926   | 16 | 2,704,131   | 35 | 171,633,288   |
| 16                                                                                             | Principal         | 16/ |                         |    | 185,610   | 16 | 2,704,131   | 36 | 171,447,878   |
| 17                                                                                             | Interest          | 17/ |                         |    | 188,334   | 16 | 2,704,131   | 37 | 171,259,344   |
| 18                                                                                             | Quarter           | 18/ |                         |    | 191,098   | 16 | 2,704,131   | 38 | 171,068,246   |
| 19                                                                                             | Balance           | 19/ |                         |    | 193,902   | 16 | 2,704,131   | 39 | 170,874,344   |
| 20                                                                                             | Ending Balance    | 20/ |                         |    | 196,747   | 16 | 2,704,131   | 40 | 170,677,597   |

1/ From Table D, Column (7) for the applicable year investment.  
2/ From Table D, Column (8) for the applicable year investment.  
3/ (Total Investment + IDC) x (Proportion of Debt from Table A, Column (8)).  
4/ From Table A, Column (6) for the applicable year investment.  
5/ Weighted life of assets in years x 4.  
6/ Line 3 Principal financed over Line 5 Term at Line 4 Interest Rate on a quarterly basis.  
7/ Current quarter Beginning Balance - Principal.  
8/ Current quarter Payment - Interest.  
9/ Current quarter Beginning Balance x (1 + The Quarterly Interest Rate).



**TABLE E. INRR AMORTIZATION SCHEDULE OF ASSETS PURCHASED WITH DEBT CAPITAL**  
(Continued)

| AMORTIZATION SCHEDULE FOR<br>THE INRR 1998 ROAD PROPERTY<br>INVESTMENT FOR THE 202000 START-UP |                             |                          |                |                  |                 |                |                             |                          |                 |
|------------------------------------------------------------------------------------------------|-----------------------------|--------------------------|----------------|------------------|-----------------|----------------|-----------------------------|--------------------------|-----------------|
| Quarter<br>(1)                                                                                 | Beginning<br>Balance<br>(2) | Ending<br>Balance<br>(3) | Payment<br>(4) | Principal<br>(5) | Interest<br>(6) | Quarter<br>(7) | Beginning<br>Balance<br>(8) | Ending<br>Balance<br>(9) | Payment<br>(10) |
| 1                                                                                              | TOTAL INVESTMENT            |                          |                | \$162,835,601    | 1/              |                | \$162,835,601               |                          |                 |
| 2                                                                                              | IDC                         |                          |                | \$6,072,642      | 2/              |                | \$6,072,642                 |                          |                 |
| 3                                                                                              | PRINCIPAL                   |                          |                | \$60,823,856     | 3/              |                | \$60,823,856                |                          |                 |
| 4                                                                                              | INTEREST                    |                          |                |                  | 6.6%            |                |                             |                          |                 |
| 5                                                                                              | TERM                        |                          |                |                  | 212 Quarters 5/ |                |                             |                          |                 |
| 6                                                                                              | PAYMENT                     |                          |                | \$1,019,292      | Per Quarter 6/  |                |                             |                          |                 |
| 7                                                                                              | Beginning Balance           |                          |                |                  |                 |                |                             |                          |                 |
| 8                                                                                              | Ending Balance              |                          |                |                  |                 |                |                             |                          |                 |
| 9                                                                                              | Payment                     |                          |                |                  |                 |                |                             |                          |                 |
| 10                                                                                             | Principal                   |                          |                |                  |                 |                |                             |                          |                 |
| 11                                                                                             | Interest                    |                          |                |                  |                 |                |                             |                          |                 |
| 12                                                                                             | Quarter                     |                          |                |                  |                 |                |                             |                          |                 |
| 13                                                                                             | Beginning Balance           |                          |                |                  |                 |                |                             |                          |                 |
| 14                                                                                             | Ending Balance              |                          |                |                  |                 |                |                             |                          |                 |
| 15                                                                                             | Payment                     |                          |                |                  |                 |                |                             |                          |                 |
| 16                                                                                             | Principal                   |                          |                |                  |                 |                |                             |                          |                 |
| 17                                                                                             | Interest                    |                          |                |                  |                 |                |                             |                          |                 |
| 18                                                                                             | Quarter                     |                          |                |                  |                 |                |                             |                          |                 |
| 19                                                                                             | Beginning Balance           |                          |                |                  |                 |                |                             |                          |                 |
| 20                                                                                             | Ending Balance              |                          |                |                  |                 |                |                             |                          |                 |
| 21                                                                                             | Payment                     |                          |                |                  |                 |                |                             |                          |                 |
| 22                                                                                             | Principal                   |                          |                |                  |                 |                |                             |                          |                 |
| 23                                                                                             | Interest                    |                          |                |                  |                 |                |                             |                          |                 |
| 24                                                                                             | Quarter                     |                          |                |                  |                 |                |                             |                          |                 |
| 25                                                                                             | Beginning Balance           |                          |                |                  |                 |                |                             |                          |                 |
| 26                                                                                             | Ending Balance              |                          |                |                  |                 |                |                             |                          |                 |
| 27                                                                                             | Payment                     |                          |                |                  |                 |                |                             |                          |                 |
| 28                                                                                             | Principal                   |                          |                |                  |                 |                |                             |                          |                 |
| 29                                                                                             | Interest                    |                          |                |                  |                 |                |                             |                          |                 |
| 30                                                                                             | Quarter                     |                          |                |                  |                 |                |                             |                          |                 |
| 31                                                                                             | Beginning Balance           |                          |                |                  |                 |                |                             |                          |                 |
| 32                                                                                             | Ending Balance              |                          |                |                  |                 |                |                             |                          |                 |
| 33                                                                                             | Payment                     |                          |                |                  |                 |                |                             |                          |                 |
| 34                                                                                             | Principal                   |                          |                |                  |                 |                |                             |                          |                 |
| 35                                                                                             | Interest                    |                          |                |                  |                 |                |                             |                          |                 |
| 36                                                                                             | Quarter                     |                          |                |                  |                 |                |                             |                          |                 |
| 37                                                                                             | Beginning Balance           |                          |                |                  |                 |                |                             |                          |                 |
| 38                                                                                             | Ending Balance              |                          |                |                  |                 |                |                             |                          |                 |
| 39                                                                                             | Payment                     |                          |                |                  |                 |                |                             |                          |                 |
| 40                                                                                             | Principal                   |                          |                |                  |                 |                |                             |                          |                 |
| 41                                                                                             | Interest                    |                          |                |                  |                 |                |                             |                          |                 |
| 42                                                                                             | Quarter                     |                          |                |                  |                 |                |                             |                          |                 |
| 43                                                                                             | Beginning Balance           |                          |                |                  |                 |                |                             |                          |                 |
| 44                                                                                             | Ending Balance              |                          |                |                  |                 |                |                             |                          |                 |
| 45                                                                                             | Payment                     |                          |                |                  |                 |                |                             |                          |                 |
| 46                                                                                             | Principal                   |                          |                |                  |                 |                |                             |                          |                 |
| 47                                                                                             | Interest                    |                          |                |                  |                 |                |                             |                          |                 |
| 48                                                                                             | Quarter                     |                          |                |                  |                 |                |                             |                          |                 |
| 49                                                                                             | Beginning Balance           |                          |                |                  |                 |                |                             |                          |                 |
| 50                                                                                             | Ending Balance              |                          |                |                  |                 |                |                             |                          |                 |
| 51                                                                                             | Payment                     |                          |                |                  |                 |                |                             |                          |                 |
| 52                                                                                             | Principal                   |                          |                |                  |                 |                |                             |                          |                 |
| 53                                                                                             | Interest                    |                          |                |                  |                 |                |                             |                          |                 |
| 54                                                                                             | Quarter                     |                          |                |                  |                 |                |                             |                          |                 |
| 55                                                                                             | Beginning Balance           |                          |                |                  |                 |                |                             |                          |                 |
| 56                                                                                             | Ending Balance              |                          |                |                  |                 |                |                             |                          |                 |
| 57                                                                                             | Payment                     |                          |                |                  |                 |                |                             |                          |                 |
| 58                                                                                             | Principal                   |                          |                |                  |                 |                |                             |                          |                 |
| 59                                                                                             | Interest                    |                          |                |                  |                 |                |                             |                          |                 |
| 60                                                                                             | Quarter                     |                          |                |                  |                 |                |                             |                          |                 |
| 61                                                                                             | Beginning Balance           |                          |                |                  |                 |                |                             |                          |                 |
| 62                                                                                             | Ending Balance              |                          |                |                  |                 |                |                             |                          |                 |
| 63                                                                                             | Payment                     |                          |                |                  |                 |                |                             |                          |                 |
| 64                                                                                             | Principal                   |                          |                |                  |                 |                |                             |                          |                 |
| 65                                                                                             | Interest                    |                          |                |                  |                 |                |                             |                          |                 |
| 66                                                                                             | Quarter                     |                          |                |                  |                 |                |                             |                          |                 |
| 67                                                                                             | Beginning Balance           |                          |                |                  |                 |                |                             |                          |                 |
| 68                                                                                             | Ending Balance              |                          |                |                  |                 |                |                             |                          |                 |
| 69                                                                                             | Payment                     |                          |                |                  |                 |                |                             |                          |                 |
| 70                                                                                             | Principal                   |                          |                |                  |                 |                |                             |                          |                 |
| 71                                                                                             | Interest                    |                          |                |                  |                 |                |                             |                          |                 |
| 72                                                                                             | Quarter                     |                          |                |                  |                 |                |                             |                          |                 |
| 73                                                                                             | Beginning Balance           |                          |                |                  |                 |                |                             |                          |                 |
| 74                                                                                             | Ending Balance              |                          |                |                  |                 |                |                             |                          |                 |
| 75                                                                                             | Payment                     |                          |                |                  |                 |                |                             |                          |                 |
| 76                                                                                             | Principal                   |                          |                |                  |                 |                |                             |                          |                 |
| 77                                                                                             | Interest                    |                          |                |                  |                 |                |                             |                          |                 |
| 78                                                                                             | Quarter                     |                          |                |                  |                 |                |                             |                          |                 |
| 79                                                                                             | Beginning Balance           |                          |                |                  |                 |                |                             |                          |                 |
| 80                                                                                             | Ending Balance              |                          |                |                  |                 |                |                             |                          |                 |
| 81                                                                                             | Payment                     |                          |                |                  |                 |                |                             |                          |                 |
| 82                                                                                             | Principal                   |                          |                |                  |                 |                |                             |                          |                 |
| 83                                                                                             | Interest                    |                          |                |                  |                 |                |                             |                          |                 |
| 84                                                                                             | Quarter                     |                          |                |                  |                 |                |                             |                          |                 |
| 85                                                                                             | Beginning Balance           |                          |                |                  |                 |                |                             |                          |                 |
| 86                                                                                             | Ending Balance              |                          |                |                  |                 |                |                             |                          |                 |
| 87                                                                                             | Payment                     |                          |                |                  |                 |                |                             |                          |                 |
| 88                                                                                             | Principal                   |                          |                |                  |                 |                |                             |                          |                 |
| 89                                                                                             | Interest                    |                          |                |                  |                 |                |                             |                          |                 |
| 90                                                                                             | Quarter                     |                          |                |                  |                 |                |                             |                          |                 |
| 91                                                                                             | Beginning Balance           |                          |                |                  |                 |                |                             |                          |                 |
| 92                                                                                             | Ending Balance              |                          |                |                  |                 |                |                             |                          |                 |
| 93                                                                                             | Payment                     |                          |                |                  |                 |                |                             |                          |                 |
| 94                                                                                             | Principal                   |                          |                |                  |                 |                |                             |                          |                 |
| 95                                                                                             | Interest                    |                          |                |                  |                 |                |                             |                          |                 |
| 96                                                                                             | Quarter                     |                          |                |                  |                 |                |                             |                          |                 |
| 97                                                                                             | Beginning Balance           |                          |                |                  |                 |                |                             |                          |                 |
| 98                                                                                             | Ending Balance              |                          |                |                  |                 |                |                             |                          |                 |
| 99                                                                                             | Payment                     |                          |                |                  |                 |                |                             |                          |                 |
| 100                                                                                            | Principal                   |                          |                |                  |                 |                |                             |                          |                 |
| 101                                                                                            | Interest                    |                          |                |                  |                 |                |                             |                          |                 |
| 102                                                                                            | Quarter                     |                          |                |                  |                 |                |                             |                          |                 |
| 103                                                                                            | Beginning Balance           |                          |                |                  |                 |                |                             |                          |                 |
| 104                                                                                            | Ending Balance              |                          |                |                  |                 |                |                             |                          |                 |
| 105                                                                                            | Payment                     |                          |                |                  |                 |                |                             |                          |                 |
| 106                                                                                            | Principal                   |                          |                |                  |                 |                |                             |                          |                 |
| 107                                                                                            | Interest                    |                          |                |                  |                 |                |                             |                          |                 |
| 108                                                                                            | Quarter                     |                          |                |                  |                 |                |                             |                          |                 |
| 109                                                                                            | Beginning Balance           |                          |                |                  |                 |                |                             |                          |                 |
| 110                                                                                            | Ending Balance              |                          |                |                  |                 |                |                             |                          |                 |
| 111                                                                                            | Payment                     |                          |                |                  |                 |                |                             |                          |                 |
| 112                                                                                            | Principal                   |                          |                |                  |                 |                |                             |                          |                 |
| 113                                                                                            | Interest                    |                          |                |                  |                 |                |                             |                          |                 |
| 114                                                                                            | Quarter                     |                          |                |                  |                 |                |                             |                          |                 |
| 115                                                                                            | Beginning Balance           |                          |                |                  |                 |                |                             |                          |                 |
| 116                                                                                            | Ending Balance              |                          |                |                  |                 |                |                             |                          |                 |
| 117                                                                                            | Payment                     |                          |                |                  |                 |                |                             |                          |                 |
| 118                                                                                            | Principal                   |                          |                |                  |                 |                |                             |                          |                 |
| 119                                                                                            | Interest                    |                          |                |                  |                 |                |                             |                          |                 |
| 120                                                                                            | Quarter                     |                          |                |                  |                 |                |                             |                          |                 |
| 121                                                                                            | Beginning Balance           |                          |                |                  |                 |                |                             |                          |                 |
| 122                                                                                            | Ending Balance              |                          |                |                  |                 |                |                             |                          |                 |
| 123                                                                                            | Payment                     |                          |                |                  |                 |                |                             |                          |                 |
| 124                                                                                            | Principal                   |                          |                |                  |                 |                |                             |                          |                 |
| 125                                                                                            | Interest                    |                          |                |                  |                 |                |                             |                          |                 |
| 126                                                                                            | Quarter                     |                          |                |                  |                 |                |                             |                          |                 |
| 127                                                                                            | Beginning Balance           |                          |                |                  |                 |                |                             |                          |                 |
| 128                                                                                            | Ending Balance              |                          |                |                  |                 |                |                             |                          |                 |
| 129                                                                                            | Payment                     |                          |                |                  |                 |                |                             |                          |                 |
| 130                                                                                            | Principal                   |                          |                |                  |                 |                |                             |                          |                 |
| 131                                                                                            | Interest                    |                          |                |                  |                 |                |                             |                          |                 |
| 132                                                                                            | Quarter                     |                          |                |                  |                 |                |                             |                          |                 |
| 133                                                                                            | Beginning Balance           |                          |                |                  |                 |                |                             |                          |                 |
| 134                                                                                            | Ending Balance              |                          |                |                  |                 |                |                             |                          |                 |
| 135                                                                                            | Payment                     |                          |                |                  |                 |                |                             |                          |                 |
| 136                                                                                            | Principal                   |                          |                |                  |                 |                |                             |                          |                 |
| 137                                                                                            | Interest                    |                          |                |                  |                 |                |                             |                          |                 |
| 138                                                                                            | Quarter                     |                          |                |                  |                 |                |                             |                          |                 |
| 139                                                                                            | Beginning Balance           |                          |                |                  |                 |                |                             |                          |                 |
| 140                                                                                            | Ending Balance              |                          |                |                  |                 |                |                             |                          |                 |
| 141                                                                                            | Payment                     |                          |                |                  |                 |                |                             |                          |                 |
| 142                                                                                            | Principal                   |                          |                |                  |                 |                |                             |                          |                 |
| 143                                                                                            | Interest                    |                          |                |                  |                 |                |                             |                          |                 |
| 144                                                                                            | Quarter                     |                          |                |                  |                 |                |                             |                          |                 |
| 145                                                                                            | Beginning Balance           |                          |                |                  |                 |                |                             |                          |                 |
| 146                                                                                            | Ending Balance              |                          |                |                  |                 |                |                             |                          |                 |
| 147                                                                                            | Payment                     |                          |                |                  |                 |                |                             |                          |                 |
| 148                                                                                            | Principal                   |                          |                |                  |                 |                |                             |                          |                 |
| 149                                                                                            | Interest                    |                          |                |                  |                 |                |                             |                          |                 |
| 150                                                                                            | Quarter                     |                          |                |                  |                 |                |                             |                          |                 |
| 151                                                                                            | Beginning Balance           |                          |                |                  |                 |                |                             |                          |                 |
| 152                                                                                            | Ending Balance              |                          |                |                  |                 |                |                             |                          |                 |
| 153                                                                                            | Payment                     |                          |                |                  |                 |                |                             |                          |                 |
| 154                                                                                            | Principal                   |                          |                |                  |                 |                |                             |                          |                 |
| 155                                                                                            | Interest                    |                          |                |                  |                 |                |                             |                          |                 |
| 156                                                                                            | Quarter                     |                          |                |                  |                 |                |                             |                          |                 |
| 157                                                                                            | Beginning Balance           |                          |                |                  |                 |                |                             |                          |                 |
| 158                                                                                            | Ending Balance              |                          |                |                  |                 |                |                             |                          |                 |
| 159                                                                                            | Payment                     |                          |                |                  |                 |                |                             |                          |                 |
| 160                                                                                            | Principal                   |                          |                |                  |                 |                |                             |                          |                 |
| 161                                                                                            | Interest                    |                          |                |                  |                 |                |                             |                          |                 |
| 162                                                                                            | Quarter                     |                          |                |                  |                 |                |                             |                          |                 |
| 163                                                                                            | Beginning Balance           |                          |                |                  |                 |                |                             |                          |                 |
| 164                                                                                            | Ending Balance              |                          |                |                  |                 |                |                             |                          |                 |
| 165                                                                                            | Payment                     |                          |                |                  |                 |                |                             |                          |                 |
| 166                                                                                            | Principal                   |                          |                |                  |                 |                |                             |                          |                 |
| 167                                                                                            | Interest                    |                          |                |                  |                 |                |                             |                          |                 |
| 168                                                                                            | Quarter                     |                          |                |                  |                 |                |                             |                          |                 |
| 169                                                                                            | Beginning Balance           |                          |                |                  |                 |                |                             |                          |                 |
| 170                                                                                            | Ending Balance              |                          |                |                  |                 |                |                             |                          |                 |
| 171                                                                                            | Payment                     |                          |                |                  |                 |                |                             |                          |                 |
| 172                                                                                            | Principal                   |                          |                |                  |                 |                |                             |                          |                 |
| 173                                                                                            | Interest                    |                          |                |                  |                 |                |                             |                          |                 |
| 174                                                                                            | Quarter                     |                          |                |                  |                 |                |                             |                          |                 |
| 175                                                                                            | Beginning Balance           |                          |                |                  |                 |                |                             |                          |                 |
| 176                                                                                            | Ending Balance              |                          |                |                  |                 |                |                             |                          |                 |
| 177                                                                                            | Payment                     |                          |                |                  |                 |                |                             |                          |                 |
| 178                                                                                            | Principal                   |                          |                |                  |                 |                |                             |                          |                 |
| 179                                                                                            | Interest                    |                          |                |                  |                 |                |                             |                          |                 |
| 180                                                                                            | Quarter                     |                          |                |                  |                 |                |                             |                          |                 |
| 181                                                                                            | Beginning Balance           |                          |                |                  |                 |                |                             |                          |                 |
| 182                                                                                            | Ending Balance              |                          |                |                  |                 |                |                             |                          |                 |
| 183                                                                                            | Payment                     |                          |                |                  |                 |                |                             |                          |                 |
| 184                                                                                            | Principal                   |                          |                |                  |                 |                |                             |                          |                 |
| 185                                                                                            | Interest                    |                          |                |                  |                 |                |                             |                          |                 |
| 186                                                                                            | Quarter                     |                          |                |                  |                 |                |                             |                          |                 |
| 187                                                                                            | Beginning Balance           |                          |                |                  |                 |                |                             |                          |                 |
| 188                                                                                            | Ending Balance              |                          |                |                  |                 |                |                             |                          |                 |
| 189                                                                                            | Payment                     |                          |                |                  |                 |                |                             |                          |                 |
| 190                                                                                            | Principal                   |                          |                |                  |                 |                |                             |                          |                 |
| 191                                                                                            | Interest                    |                          |                |                  |                 |                |                             |                          |                 |
| 192                                                                                            | Quarter                     |                          |                |                  |                 |                |                             |                          |                 |
| 193                                                                                            | Beginning Balance           |                          |                |                  |                 |                |                             |                          |                 |
| 194                                                                                            | Ending Balance              |                          |                |                  |                 |                |                             |                          |                 |
| 195                                                                                            | Payment                     |                          |                |                  |                 |                |                             |                          |                 |
| 196                                                                                            | Principal                   |                          |                |                  |                 |                |                             |                          |                 |
| 197                                                                                            | Interest                    |                          |                |                  |                 |                |                             |                          |                 |
| 198                                                                                            | Quarter                     |                          |                |                  |                 |                |                             |                          |                 |
| 199                                                                                            | Beginning Balance           |                          |                |                  |                 |                |                             |                          |                 |
| 200                                                                                            | Ending Balance              |                          |                |                  |                 |                |                             |                          |                 |
| 201                                                                                            | Payment                     |                          |                |                  |                 |                |                             |                          |                 |
| 202                                                                                            | Principal                   |                          |                |                  |                 |                |                             |                          |                 |
| 203                                                                                            | Interest                    |                          |                |                  |                 |                |                             |                          |                 |
| 204                                                                                            | Quarter                     |                          |                |                  |                 |                |                             |                          |                 |
| 205                                                                                            | Beginning Balance           |                          |                |                  |                 |                |                             |                          |                 |
| 206                                                                                            | Ending Balance              |                          |                |                  |                 |                |                             |                          |                 |
| 207                                                                                            | Payment                     |                          |                |                  |                 |                |                             |                          |                 |
| 208                                                                                            | Principal                   |                          |                |                  |                 |                |                             |                          |                 |
| 209                                                                                            | Interest                    |                          |                |                  |                 |                |                             |                          |                 |
| 210                                                                                            | Quarter                     |                          |                |                  |                 |                |                             |                          |                 |
| 211                                                                                            | Beginning Balance           |                          |                |                  |                 |                |                             |                          |                 |
| 212                                                                                            | Ending Balance              |                          |                |                  |                 |                |                             |                          |                 |
| 213                                                                                            | Payment                     |                          |                |                  |                 |                |                             |                          |                 |
| 214                                                                                            | Principal                   |                          |                |                  |                 |                |                             |                          |                 |
| 215                                                                                            | Interest                    |                          |                |                  |                 |                |                             |                          |                 |
| 216                                                                                            | Quarter                     |                          |                |                  |                 |                |                             |                          |                 |
| 217                                                                                            | Beginning Balance           |                          |                |                  |                 |                |                             |                          |                 |
| 218                                                                                            | Ending Balance              |                          |                |                  |                 |                |                             |                          |                 |
| 219                                                                                            | Payment                     |                          |                |                  |                 |                |                             |                          |                 |
| 220                                                                                            | Principal                   |                          |                |                  |                 |                |                             |                          |                 |
| 221                                                                                            | Interest                    |                          |                |                  |                 |                |                             |                          |                 |
| 222                                                                                            | Quarter                     |                          |                |                  |                 |                |                             |                          |                 |
| 223                                                                                            | Beginning Balance           |                          |                |                  |                 |                |                             |                          |                 |
| 224                                                                                            | Ending Balance              |                          |                |                  |                 |                |                             |                          |                 |
| 225                                                                                            | Payment                     |                          |                |                  |                 |                |                             |                          |                 |
| 226                                                                                            | Principal                   |                          |                |                  |                 |                |                             |                          |                 |
| 227                                                                                            | Interest                    |                          |                |                  |                 |                |                             |                          |                 |
| 228                                                                                            | Quarter                     |                          |                |                  |                 |                |                             |                          |                 |
| 229                                                                                            | Beginning Balance           |                          |                |                  |                 |                |                             |                          |                 |

**TABLE F: TNRR PRESENT VALUE OF REPLACEMENT COST**

| Road<br>Property<br>Account<br>(1) | Road<br>Property<br>Component<br>(2) | Service<br>Life In<br>Years 1/<br>(3) | Investment 2/<br>(4)    | Salvage 3/<br>(5)    | Replacement<br>Year Asset<br>Net Cost 4/<br>(6) | Replacement<br>Cost Adjusted<br>To Reflect An<br>Infinite Life 5/<br>(7) | Present Value<br>Of Replacement<br>Cost Adjusted<br>To Reflect<br>An Infinite Life<br>(2000 Dollars) 6/<br>(8) |
|------------------------------------|--------------------------------------|---------------------------------------|-------------------------|----------------------|-------------------------------------------------|--------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| 3                                  | Grading                              | 95                                    | \$9,687,644,346         | \$0                  | \$8,537,500,620                                 | \$8,543,829,899                                                          | \$566,734                                                                                                      |
| 5                                  | Tunnels                              | NA                                    | 0                       | 0                    | 0                                               | 0                                                                        | 0                                                                                                              |
| 6                                  | Bridges & Culverts                   | 80                                    | 2,184,929,622           | 13,402,214           | 1,525,247,065                                   | 1,528,781,375                                                            | 463,233                                                                                                        |
| 8                                  | Ties                                 | 30                                    | 276,029,485             | -112,776,632         | 243,198,614                                     | 271,027,663                                                              | 12,988,498                                                                                                     |
| 9                                  | Rails and OTM                        | 26                                    | 702,545,712             | 29,073,045           | 422,263,014                                     | 490,482,836                                                              | 35,244,911                                                                                                     |
| 11                                 | Ballast                              | 23                                    | 270,205,470             | 0                    | 169,404,984                                     | 205,249,269                                                              | 19,984,794                                                                                                     |
| 12                                 | Labor                                | 26                                    | 851,188,653             | 0                    | 533,651,669                                     | 618,534,365                                                              | 43,656,882                                                                                                     |
| 13                                 | Fences and Roadway Signs             | 80                                    | 87,336,788              | 0                    | 61,311,086                                      | 61,453,156                                                               | 18,621                                                                                                         |
| 16                                 | Station and Office Buildings         | 21                                    | 3,904,683               | 0                    | 3,441,108                                       | 4,318,953                                                                | 514,944                                                                                                        |
| 17                                 | Roadway Buildings                    | 27                                    | 8,188,647               | 0                    | 6,410,589                                       | 7,359,398                                                                | 477,896                                                                                                        |
| 19                                 | Fuel Stations                        | 29                                    | 21,015,967              | 0                    | 18,520,894                                      | 20,828,091                                                               | 1,104,528                                                                                                      |
| 20                                 | Shops and Enginehouses               | 40                                    | 49,263,903              | 338,115              | 43,099,628                                      | 45,276,603                                                               | 788,136                                                                                                        |
| 26                                 | Communications Systems               | 25                                    | 32,023,756              | 1,186,701            | 19,377,050                                      | 22,702,797                                                               | 1,748,298                                                                                                      |
| 27                                 | Signals and interlockers             | 33                                    | 332,231,304             | 0                    | 186,857,107                                     | 203,498,698                                                              | 7,197,165                                                                                                      |
| 39                                 | Public improvements                  | 55                                    | 56,942,995              | 0                    | 39,974,413                                      | 40,599,942                                                               | 154,712                                                                                                        |
|                                    | <b>Total</b>                         |                                       | <b>\$14,563,451,332</b> | <b>-\$68,776,556</b> | <b>\$11,810,257,841</b>                         | <b>\$12,063,943,045</b>                                                  | <b>\$124,909,351</b>                                                                                           |

1/ From Table C, Column (3).

2/ (Table C, Column (10) after allocation of Engineering) x (Table B, 1.0 + Annual Inflation Index)^(Column (3)).

3/ [(Column (4) x Salvage %) - (Table C, Column (10) after allocation of Engineering x Salvage %)] x (1 - Current Federal Tax Rate) + (Table C, Column (10) after allocation of Engineering x Salvage %). Salvage% from BNSF Discovery BNSF/AEPTX 00007.

4/ Column (4) - (Present Value of the remaining tax deductions for depreciation, interest expense and the Present Value of any salvage).

5/ Column (6) + [(Column (6) / ((1 + Real Cost of Capital)^(Column (3) - 1))].

6/ Column (7) / ((1 + Nominal Cost of Capital)^(Column (3))).

**TABLE G: TNRR TAX DEPRECIATION SCHEDULES**

Depreciation of Start-up investment for tax purposes using accounting lives from Modified Accelerated Cost Recovery System (MACRS) 1/

| Road<br>Property<br>Account<br>(1) | Road<br>Property<br>Component<br>(2) | Asset<br>Lives<br>Per MACRS<br>(3) | Total<br>June 16, 2000<br>Investment<br>(4) | Depreciable<br>Base<br>(5) |
|------------------------------------|--------------------------------------|------------------------------------|---------------------------------------------|----------------------------|
| 1                                  | Engineering                          | 5                                  | \$129,249,882                               | \$129,249,882              |
| 2                                  | Land                                 | N/A                                | \$88,540,251                                | 0                          |
| 3                                  | Grading                              | 50                                 | \$615,347,218                               | 615,347,218                |
| 1A                                 | Training & Startup                   | 5                                  | \$7,527,643                                 | 7,527,643                  |
| 6                                  | Bridges & Culverts                   | 15                                 | \$210,621,888                               | 210,621,888                |
| 8                                  | Ties                                 | 7                                  | \$178,349,743                               | 178,349,743                |
| 9                                  | Rails and OTM                        | 7                                  | \$473,862,709                               | 473,862,709                |
| 11                                 | Ballast                              | 7                                  | \$188,220,873                               | 188,220,873                |
| 12                                 | Labor                                | 7                                  | \$339,643,222                               | 339,643,222                |
| 13                                 | Fences and Roadway Signs             | 15                                 | \$8,419,053                                 | 8,419,053                  |
| 16                                 | Station and Office Buildings         | 15                                 | \$1,941,915                                 | 1,941,915                  |
| 17                                 | Roadway Buildings                    | 15                                 | \$3,446,601                                 | 3,446,601                  |
| 19                                 | Fuel Stations                        | 15                                 | \$8,367,062                                 | 8,367,062                  |
| 20                                 | Shops and Enginehouses               | 15                                 | \$14,444,378                                | 14,444,378                 |
| 26                                 | Communications Systems               | 7                                  | \$14,124,863                                | 14,124,863                 |
| 27                                 | Signals and interlockers             | 7                                  | \$118,346,053                               | 118,346,053                |
| 39                                 | Public improvements                  | 15                                 | \$11,001,359                                | 11,001,359                 |
|                                    | Total                                |                                    | \$2,411,454,713                             | \$2,322,914,462            |

1/ Applicable Depreciation Method: 200 or 150 percent

Declining Balance Switching to Straight Line

Applicable Recovery Periods: 7, 15 and 50 a/ years

Applicable Convention: Mid-quarter (property placed in service in second quarter)

The Depreciation Rates are as follows for the corresponding

Recovery Period and Recovery year:

| Recovery<br>Year | 5-Year | 7-year | 15-year | 50-year | Recovery<br>Year | 7-year | 15-year | 50-year |
|------------------|--------|--------|---------|---------|------------------|--------|---------|---------|
| 1                | 20.00% | 17.85% | 6.250%  | 2.00%   | 10               | 0.00%  | 5.900%  | 2.00%   |
| 2                | 20.00% | 23.47% | 9.380%  | 2.00%   | 11               | 0.00%  | 5.910%  | 2.00%   |
| 3                | 20.00% | 16.76% | 8.440%  | 2.00%   | 12               | 0.00%  | 5.900%  | 2.00%   |
| 4                | 20.00% | 11.97% | 7.590%  | 2.00%   | 13               | 0.00%  | 5.910%  | 2.00%   |
| 5                | 20.00% | 8.87%  | 6.830%  | 2.00%   | 14               | 0.00%  | 5.900%  | 2.00%   |
| 6                |        | 8.87%  | 6.150%  | 2.00%   | 15               | 0.00%  | 5.910%  | 2.00%   |
| 7                |        | 8.87%  | 5.910%  | 2.00%   | 16               | 0.00%  | 2.210%  | 2.00%   |
| 8                |        | 3.33%  | 5.900%  | 2.00%   | 17               | 0.00%  | 0.000%  | 2.00%   |
| 9                |        | 0.00%  | 5.910%  | 2.00%   | 18               | 0.00%  | 0.000%  | 2.00%   |
|                  |        |        |         |         | 19-50            | 0.00%  | 0.000%  | 2.00%   |

a/ 50 year property uses the Straight Line Method for all time periods

**TABLE G: TNRRA TAX DEPRECIATION SCHEDULES**  
(Continued)

| Year<br>(1) | Amortization - 5 Years              |                |                            | Depreciation - MACRS 7 Years          |                |                            | Depreciation - MACRS 15 Years         |                |                             | Depreciation - MACRS 50 Years        |                 |                             | Total<br>Annual<br>Depreciation 10/<br>(14) |
|-------------|-------------------------------------|----------------|----------------------------|---------------------------------------|----------------|----------------------------|---------------------------------------|----------------|-----------------------------|--------------------------------------|-----------------|-----------------------------|---------------------------------------------|
|             | Unamortized<br>Investment 1/<br>(2) | Rate 2/<br>(3) | Annual<br>Amort. 3/<br>(4) | Undepreciated<br>Investment 4/<br>(5) | Rate 2/<br>(6) | Annual<br>Amount 5/<br>(7) | Undepreciated<br>Investment 6/<br>(8) | Rate 2/<br>(9) | Annual<br>Amount 7/<br>(10) | Unamortized<br>Investment 8/<br>(11) | Rate 2/<br>(12) | Annual<br>Amount 9/<br>(13) |                                             |
| 1           | \$136,777.524                       | 20.00%         | \$27,355.505               | \$1,312,547,464                       | 17.85%         | \$234,289,722              | \$258,242,256                         | 6.25%          | \$16,140,141                | \$622,874,861                        | 2%              | \$12,457,497                | \$390,242,865                               |
| 2           | 109,422.019                         | 20.00%         | 27,355.505                 | 1,078,257,741                         | 23.47%         | 308,054,890                | 242,102,115                           | 9.38%          | 24,223,124                  | 610,417,364                          | 2%              | 12,457,497                  | 372,091,015                                 |
| 3           | 82,066.515                          | 20.00%         | 27,355.505                 | 770,202,852                           | 16.76%         | 219,982,955                | 217,878,991                           | 8.44%          | 21,795,646                  | 597,959,866                          | 2%              | 12,457,497                  | 281,591,603                                 |
| 4           | 54,711.010                          | 20.00%         | 27,355.505                 | 550,219,897                           | 11.97%         | 157,111,931                | 196,083,345                           | 7.59%          | 19,600,587                  | 585,502,369                          | 2%              | 12,457,497                  | 216,525,621                                 |
| 5           | 27,355.505                          | 20.00%         | 27,355.505                 | 393,107,965                           | 8.87%          | 116,422,960                | 176,482,758                           | 6.83%          | 17,637,946                  | 573,044,872                          | 2%              | 12,457,497                  | 173,873,908                                 |
| 6           |                                     |                |                            | 276,685,005                           | 8.87%          | 116,422,960                | 158,844,812                           | 6.15%          | 15,881,899                  | 560,587,375                          | 2%              | 12,457,497                  | 144,762,356                                 |
| 7           |                                     |                |                            | 160,262,045                           | 8.87%          | 142,962,913                | 127,700,796                           | 5.91%          | 15,262,117                  | 548,129,878                          | 2%              | 12,457,497                  | 144,142,575                                 |
| 8           |                                     |                |                            | 43,839,085                            | 3.34%          | 43,839,085                 | 112,484,502                           | 5.91%          | 15,262,117                  | 535,672,380                          | 2%              | 12,457,497                  | 71,532,876                                  |
| 9           |                                     |                |                            |                                       |                |                            | 97,202,385                            | 5.90%          | 15,236,293                  | 523,214,883                          | 2%              | 12,457,497                  | 27,719,615                                  |
| 10          |                                     |                |                            |                                       |                |                            | 81,966,092                            | 5.91%          | 15,262,117                  | 510,757,386                          | 2%              | 12,457,497                  | 27,693,790                                  |
| 11          |                                     |                |                            |                                       |                |                            | 66,703,975                            | 5.90%          | 15,236,293                  | 498,299,889                          | 2%              | 12,457,497                  | 27,719,615                                  |
| 12          |                                     |                |                            |                                       |                |                            | 51,467,682                            | 5.91%          | 15,262,117                  | 485,842,391                          | 2%              | 12,457,497                  | 27,693,790                                  |
| 13          |                                     |                |                            |                                       |                |                            | 36,205,564                            | 5.90%          | 15,236,293                  | 473,384,894                          | 2%              | 12,457,497                  | 27,719,615                                  |
| 14          |                                     |                |                            |                                       |                |                            | 20,969,271                            | 5.91%          | 15,262,117                  | 460,927,397                          | 2%              | 12,457,497                  | 27,693,790                                  |
| 15          |                                     |                |                            |                                       |                |                            | 5,707,154                             | 2.21%          | 5,707,154                   | 448,469,900                          | 2%              | 12,457,497                  | 27,719,615                                  |
| 16          |                                     |                |                            |                                       |                |                            |                                       |                |                             | 436,012,403                          | 2%              | 12,457,497                  | 18,164,651                                  |
| 17          |                                     |                |                            |                                       |                |                            |                                       |                |                             | 423,554,905                          | 2%              | 12,457,497                  | 12,457,497                                  |
| 18          |                                     |                |                            |                                       |                |                            |                                       |                |                             | 411,097,408                          | 2%              | 12,457,497                  | 12,457,497                                  |
| 19          |                                     |                |                            |                                       |                |                            |                                       |                |                             | 398,639,911                          | 2%              | 12,457,497                  | 12,457,497                                  |
| 20          |                                     |                |                            |                                       |                |                            |                                       |                |                             | 386,182,414                          | 2%              | 12,457,497                  | 12,457,497                                  |
| 21          |                                     |                |                            |                                       |                |                            |                                       |                |                             | 373,724,917                          | 2%              | 12,457,497                  | 12,457,497                                  |
|             |                                     |                |                            |                                       |                |                            |                                       |                |                             | 361,267,419                          |                 |                             |                                             |

1/ From Table G, Page 11, Column (5), Road Property Accounts 1 and 1A.

2/ From Table G, Footnote 1/, Page 11.

3/ Column (2), Year 1 x Column (3).

4/ From Table G, Page 11, Column (5), Road Property Accounts 8, 9, 11, 12, 26, and 27.

5/ Column (5), Year 1 x Column (6).

6/ From Table G, Page 11, Column (5), Road Property Accounts 6, 13, 16, 17, 19, 20 and 39.

7/ Column (8), Year 1 x Column (9).

8/ From Table G, Page 11, Column (5), Road Property Account 3.

9/ Column (11), Year 1 x Column (12).

**TABLE H: TNRR AVERAGE ANNUAL INFLATION IN ASSET PRICES**

Development of average annual inflation factors for all capital assets

1. 2Q2000 Land value
2. 2Q2000 Road Property asset value accounts 3, 6, 13, 17, 26, 27, and 39
3. 2Q2000 Road Property asset value accounts 8, 9, and 11
4. 2Q2000 Road Property asset value account 1, 1A and 12

\$88,540,251 1/  
\$1,013,588,033 1/  
\$840,433,325 1/  
\$468,893,104 1/

| Period<br>(1) | Quarter<br>(2) | Inflation<br>Index For<br>Land 2/<br>(3) | Inflation<br>Index<br>For Line 2<br>Road<br>Property<br>Assets 3/<br>(4) | Inflation<br>Index<br>For Line 3<br>Road<br>Property<br>Assets 4/<br>(5) | Inflation<br>Index<br>For Line 4<br>Road<br>Property<br>Assets 5/<br>(6) | Land<br>Value 6/<br>(7) | Road<br>Property<br>Value 7/<br>(8) | 2Q2000<br>Inflation<br>Index 8/<br>(9) |
|---------------|----------------|------------------------------------------|--------------------------------------------------------------------------|--------------------------------------------------------------------------|--------------------------------------------------------------------------|-------------------------|-------------------------------------|----------------------------------------|
| 0             |                | 1.000                                    | 1.000                                                                    | 1.000                                                                    | 1.000                                                                    | \$88,540,251            | \$2,322,914,462                     | 1.000                                  |
| 1             | 2000 2 Qtr     | 1.007                                    | 0.999                                                                    | 0.995                                                                    | 1.000                                                                    | 89,158,792              | 2,318,187,919                       | 0.998                                  |
| 2             | 2000 3 Qtr     | 1.014                                    | 1.010                                                                    | 1.008                                                                    | 1.011                                                                    | 89,781,653              | 2,345,491,056                       | 1.010                                  |
| 3             | 2000 4 Qtr     | 1.021                                    | 1.011                                                                    | 1.011                                                                    | 1.011                                                                    | 90,408,866              | 2,348,039,038                       | 1.011                                  |
| 4             | 2001 1 Qtr     | 1.028                                    | 1.035                                                                    | 1.011                                                                    | 1.039                                                                    | 91,040,460              | 2,385,634,417                       | 1.027                                  |
| 5             | 2001 2 Qtr     | 1.035                                    | 1.040                                                                    | 1.033                                                                    | 1.041                                                                    | 91,676,467              | 2,410,387,868                       | 1.038                                  |
| 6             | 2001 3 Qtr     | 1.043                                    | 1.048                                                                    | 1.035                                                                    | 1.050                                                                    | 92,316,916              | 2,424,491,017                       | 1.044                                  |
| 7             | 2001 4 Qtr     | 1.050                                    | 1.048                                                                    | 1.036                                                                    | 1.050                                                                    | 92,961,840              | 2,424,860,438                       | 1.044                                  |
| 8             | 2002 1 Qtr     | 1.057                                    | 1.079                                                                    | 1.031                                                                    | 1.085                                                                    | 93,611,269              | 2,468,923,518                       | 1.063                                  |
| 9             | 2002 2 Qtr     | 1.065                                    | 1.078                                                                    | 1.026                                                                    | 1.085                                                                    | 94,265,236              | 2,464,382,810                       | 1.061                                  |
| 10            | 2002 3 Qtr     | 1.072                                    | 1.085                                                                    | 0.995                                                                    | 1.097                                                                    | 94,923,771              | 2,450,424,167                       | 1.056                                  |
| 11            | 2002 4 Qtr     | 1.080                                    | 1.082                                                                    | 0.958                                                                    | 1.098                                                                    | 95,586,906              | 2,416,407,441                       | 1.042                                  |
| 12            | 2003 1 Qtr     | 1.087                                    | 1.095                                                                    | 0.937                                                                    | 1.116                                                                    | 96,254,674              | 2,420,818,412                       | 1.044                                  |
| 13            | 2003 2 Qtr     | 1.095                                    | 1.109                                                                    | 1.035                                                                    | 1.118                                                                    | 96,927,107              | 2,517,953,937                       | 1.084                                  |
| 14            | 2003 3 Qtr     | 1.102                                    | 1.122                                                                    | 1.020                                                                    | 1.135                                                                    | 97,604,237              | 2,526,992,295                       | 1.088                                  |
| 15            | 2003 4 Qtr     | 1.110                                    | 1.123                                                                    | 1.036                                                                    | 1.134                                                                    | 98,286,099              | 2,540,848,967                       | 1.094                                  |
| 16            | 2004 1 Qtr     | 1.118                                    | 1.129                                                                    | 1.036                                                                    | 1.141                                                                    | 98,972,723              | 2,549,724,267                       | 1.098                                  |
| 17            | 2004 2 Qtr     | 1.126                                    | 1.129                                                                    | 1.031                                                                    | 1.142                                                                    | 99,664,144              | 2,546,961,056                       | 1.098                                  |
| 18            | 2004 3 Qtr     | 1.134                                    | 1.146                                                                    | 1.035                                                                    | 1.162                                                                    | 100,360,396             | 2,575,431,484                       | 1.110                                  |
| 19            | 2004 4 Qtr     | 1.141                                    | 1.159                                                                    | 1.039                                                                    | 1.177                                                                    | 101,061,511             | 2,599,331,114                       | 1.120                                  |
| 20            | 2005 1 Qtr     | 1.149                                    | 1.165                                                                    | 1.039                                                                    | 1.184                                                                    | 101,767,525             | 2,608,505,467                       | 1.124                                  |

1/ Table C, Page 4, Column (10).

2/ Previous Column (3) x (1 + Quarterly Inflation Rate Change from Table B).

3/ Previous Column (4) x (1 + Quarterly Inflation Rate Change from Table B).

4/ Previous Column (5) x (1 + Quarterly Inflation Rate Change from Table B).

5/ Previous Column (6) x (1 + Quarterly Inflation Rate Change from Table B).

6/ Line 1 x Column (3) for applicable quarter.

7/ (Line 2 x Column (4) for applicable quarter) + (Line 3 x Column (5) for applicable quarter) + (Line 4 x Column (6) for applicable quarter).

8/ (Column (7) + Column (8)) + (Period 0; (Column (7) + Column (8))).

**TABLE H: TNRR AVERAGE ANNUAL INFLATION IN ASSET PRICES**  
(Continued)

Development of average annual inflation factors for all capital assets

1. 2Q2000 Land value
2. 2Q2000 Road Property asset value accounts 3, 6, 13, 17, 26, 27, and 39
3. 2Q2000 Road Property asset value accounts 8, 9, and 11
4. 2Q2000 Road Property asset value account 1, 1A and 12

\$88,540,251 1/  
\$1,013,588,033 1/  
\$840,433,325 1/  
\$468,893,104 1/

| Period<br>(1) | Quarter<br>(2) | Inflation<br>Index For<br>Land 2/<br>(3) | Inflation<br>Index For Line 2<br>Road Property<br>Assets 3/<br>(4) | Inflation<br>Index For Line 3<br>Road Property<br>Assets 4/<br>(5) | Inflation<br>Index For Line 4<br>Road Property<br>Assets 5/<br>(6) | Land<br>Value 6/<br>(7) | Road<br>Property<br>Value 7/<br>(8) | 2Q2000<br>Inflation<br>Index 8/<br>(9) |
|---------------|----------------|------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------|-------------------------|-------------------------------------|----------------------------------------|
| 21            | 2005 2 Qtr     | 1.157                                    | 1.166                                                              | 1.039                                                              | 1.185                                                              | 102,478,470             | 2,610,042,715                       | 1.125                                  |
| 22            | 2005 3 Qtr     | 1.166                                    | 1.173                                                              | 1.041                                                              | 1.193                                                              | 103,194,383             | 2,622,955,903                       | 1.131                                  |
| 23            | 2005 4 Qtr     | 1.174                                    | 1.174                                                              | 1.044                                                              | 1.195                                                              | 103,915,296             | 2,627,882,497                       | 1.133                                  |
| 24            | 2006 1 Qtr     | 1.182                                    | 1.183                                                              | 1.047                                                              | 1.205                                                              | 104,641,246             | 2,643,736,944                       | 1.140                                  |
| 25            | 2006 2 Qtr     | 1.190                                    | 1.192                                                              | 1.050                                                              | 1.214                                                              | 105,372,268             | 2,659,699,555                       | 1.147                                  |
| 26            | 2006 3 Qtr     | 1.198                                    | 1.200                                                              | 1.053                                                              | 1.224                                                              | 106,108,396             | 2,675,771,114                       | 1.154                                  |
| 27            | 2006 4 Qtr     | 1.207                                    | 1.209                                                              | 1.056                                                              | 1.234                                                              | 106,849,667             | 2,691,952,416                       | 1.161                                  |
| 28            | 2007 1 Qtr     | 1.215                                    | 1.217                                                              | 1.060                                                              | 1.243                                                              | 107,596,116             | 2,707,885,217                       | 1.168                                  |
| 29            | 2007 2 Qtr     | 1.224                                    | 1.225                                                              | 1.064                                                              | 1.253                                                              | 108,347,780             | 2,723,918,822                       | 1.175                                  |
| 30            | 2007 3 Qtr     | 1.232                                    | 1.234                                                              | 1.068                                                              | 1.262                                                              | 109,104,695             | 2,740,053,897                       | 1.182                                  |
| 31            | 2007 4 Qtr     | 1.241                                    | 1.242                                                              | 1.072                                                              | 1.271                                                              | 109,866,898             | 2,756,291,114                       | 1.189                                  |
| 32            | 2008 1 Qtr     | 1.250                                    | 1.250                                                              | 1.076                                                              | 1.280                                                              | 110,634,426             | 2,771,953,927                       | 1.195                                  |
| 33            | 2008 2 Qtr     | 1.258                                    | 1.258                                                              | 1.080                                                              | 1.290                                                              | 111,407,316             | 2,787,712,386                       | 1.202                                  |
| 34            | 2008 3 Qtr     | 1.267                                    | 1.267                                                              | 1.084                                                              | 1.299                                                              | 112,185,605             | 2,803,567,102                       | 1.209                                  |
| 35            | 2008 4 Qtr     | 1.276                                    | 1.275                                                              | 1.087                                                              | 1.308                                                              | 112,969,331             | 2,819,518,692                       | 1.216                                  |
| 36            | 2009 1 Qtr     | 1.285                                    | 1.284                                                              | 1.091                                                              | 1.318                                                              | 113,758,532             | 2,836,113,677                       | 1.223                                  |
| 37            | 2009 2 Qtr     | 1.294                                    | 1.293                                                              | 1.094                                                              | 1.328                                                              | 114,553,247             | 2,852,816,070                       | 1.231                                  |
| 38            | 2009 3 Qtr     | 1.303                                    | 1.302                                                              | 1.098                                                              | 1.338                                                              | 115,353,513             | 2,869,626,607                       | 1.238                                  |
| 39            | 2009 4 Qtr     | 1.312                                    | 1.311                                                              | 1.101                                                              | 1.349                                                              | 116,159,370             | 2,886,546,026                       | 1.245                                  |
| 40            | 2010 1 Qtr     | 1.321                                    | 1.319                                                              | 1.105                                                              | 1.359                                                              | 116,970,857             | 2,903,150,330                       | 1.252                                  |

1/ Table C, Page 4, Column (10).

2/ Previous Column (3) x (1 + Quarterly Inflation Rate Change from Table B).

3/ Previous Column (4) x (1 + Quarterly Inflation Rate Change from Table B).

4/ Previous Column (5) x (1 + Quarterly Inflation Rate Change from Table B).

5/ Previous Column (6) x (1 + Quarterly Inflation Rate Change from Table B).

6/ Line 1 x Column (3) for applicable quarter.

7/ (Line 2 x Column (4) for applicable quarter) + (Line 3 x Column (5) for applicable quarter) + (Line 4 x Column (6) for applicable quarter).

8/ (Column (7) + Column (8)) + (Period 0; (Column (7) + Column (8))).

**TABLE H: T&NRR AVERAGE ANNUAL INFLATION IN ASSET PRICES**  
(Continued)

Development of average annual inflation factors for all capital assets

1. 2Q2000 Land value
2. 2Q2000 Road Property asset value accounts 3, 6, 13, 17, 26, 27, and 39
3. 2Q2000 Road Property asset value accounts 8, 9, and 11
4. 2Q2000 Road Property asset value account 1, 1A and 12

\$88,540,251 1/  
\$1,013,588,033 1/  
\$840,433,325 1/  
\$468,893,104 1/

| Period<br>(1) | Quarter<br>(2) | Inflation<br>Index For<br>Land 2/<br>(3) | Inflation<br>Index For<br>Road Property<br>Assets 3/<br>(4) | Inflation<br>Index For<br>Road Property<br>Assets 4/<br>(5) | Inflation<br>Index For<br>Road Property<br>Assets 5/<br>(6) | Land<br>Value 6/<br>(7) | Road<br>Property<br>Value 7/<br>(8) | 2Q2000<br>Inflation<br>Index 8/<br>(9) |
|---------------|----------------|------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|-------------------------|-------------------------------------|----------------------------------------|
| 41            | 2010 2 Qtr     | 1.330                                    | 1.328                                                       | 1.109                                                       | 1.369                                                       | \$117,788,013           | \$2,919,858,997                     | 1.260                                  |
| 42            | 2010 3 Qtr     | 1.340                                    | 1.337                                                       | 1.112                                                       | 1.379                                                       | 118,610,877             | 2,936,672,721                       | 1.267                                  |
| 43            | 2010 4 Qtr     | 1.349                                    | 1.346                                                       | 1.116                                                       | 1.389                                                       | 119,439,490             | 2,953,592,197                       | 1.274                                  |
| 44            | 2011 1 Qtr     | 1.360                                    | 1.356                                                       | 1.120                                                       | 1.400                                                       | 120,421,643             | 2,971,632,255                       | 1.282                                  |
| 45            | 2011 2 Qtr     | 1.371                                    | 1.365                                                       | 1.124                                                       | 1.411                                                       | 121,411,872             | 2,989,790,465                       | 1.290                                  |
| 46            | 2011 3 Qtr     | 1.383                                    | 1.375                                                       | 1.128                                                       | 1.421                                                       | 122,410,244             | 3,008,067,637                       | 1.298                                  |
| 47            | 2011 4 Qtr     | 1.394                                    | 1.384                                                       | 1.132                                                       | 1.432                                                       | 123,416,825             | 3,026,464,587                       | 1.306                                  |
| 48            | 2012 1 Qtr     | 1.405                                    | 1.394                                                       | 1.136                                                       | 1.443                                                       | 124,431,684             | 3,044,238,950                       | 1.314                                  |
| 49            | 2012 2 Qtr     | 1.417                                    | 1.403                                                       | 1.140                                                       | 1.454                                                       | 125,454,887             | 3,062,125,839                       | 1.322                                  |
| 50            | 2012 3 Qtr     | 1.429                                    | 1.413                                                       | 1.144                                                       | 1.464                                                       | 126,486,505             | 3,080,126,000                       | 1.330                                  |
| 51            | 2012 4 Qtr     | 1.440                                    | 1.422                                                       | 1.148                                                       | 1.475                                                       | 127,526,605             | 3,098,240,186                       | 1.338                                  |
| 52            | 2013 1 Qtr     | 1.452                                    | 1.432                                                       | 1.153                                                       | 1.486                                                       | 128,575,259             | 3,117,528,291                       | 1.346                                  |
| 53            | 2013 2 Qtr     | 1.464                                    | 1.442                                                       | 1.157                                                       | 1.498                                                       | 129,632,535             | 3,136,943,744                       | 1.355                                  |
| 54            | 2013 3 Qtr     | 1.476                                    | 1.452                                                       | 1.162                                                       | 1.509                                                       | 130,698,505             | 3,156,487,422                       | 1.363                                  |
| 55            | 2013 4 Qtr     | 1.488                                    | 1.463                                                       | 1.167                                                       | 1.521                                                       | 131,773,241             | 3,176,160,206                       | 1.372                                  |
| 56            | 2014 1 Qtr     | 1.501                                    | 1.473                                                       | 1.171                                                       | 1.533                                                       | 132,856,815             | 3,195,962,982                       | 1.380                                  |
| 57            | 2014 2 Qtr     | 1.513                                    | 1.483                                                       | 1.176                                                       | 1.544                                                       | 133,949,298             | 3,215,896,645                       | 1.389                                  |
| 58            | 2014 3 Qtr     | 1.525                                    | 1.494                                                       | 1.181                                                       | 1.556                                                       | 135,050,766             | 3,235,962,096                       | 1.398                                  |
| 59            | 2014 4 Qtr     | 1.538                                    | 1.504                                                       | 1.185                                                       | 1.568                                                       | 136,161,290             | 3,256,160,240                       | 1.407                                  |
| 60            | 2015 1 Qtr     | 1.550                                    | 1.515                                                       | 1.190                                                       | 1.580                                                       | 137,280,947             | 3,276,491,991                       | 1.416                                  |

1/ Table C, Page 4, Column (10).

2/ Previous Column (3) x (1 + Quarterly Inflation Rate Change from Table B).

3/ Previous Column (4) x (1 + Quarterly Inflation Rate Change from Table B).

4/ Previous Column (5) x (1 + Quarterly Inflation Rate Change from Table B).

5/ Previous Column (6) x (1 + Quarterly Inflation Rate Change from Table B).

6/ Line 1 x Column (3) for applicable quarter.

7/ (Line 2 x Column (4) for applicable quarter) + (Line 3 x Column (5) for applicable quarter) + (Line 4 x Column (6) for applicable quarter).

8/ (Column (7) + Column (8)) + (Period 0; (Column (7) + Column (8))).

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(Continued)

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\$88,540,251 1/  
\$1,013,588,033 1/  
\$840,433,325 1/  
\$468,893,104 1/

| Period<br>(1)     | Quarter<br>(2) | Inflation<br>Index For<br>Land 2/<br>(3) | Inflation<br>Index For<br>Road 3/<br>Assets 4/<br>(4) | Inflation<br>Index For<br>Road 4/<br>Assets 5/<br>(5) | Inflation<br>Index For<br>Road 5/<br>Assets 6/<br>(6) | Land<br>Value 6/<br>(7) | Road<br>Property<br>Value 7/<br>(8) | 2Q2000<br>Inflation<br>Index 8/<br>(9) |
|-------------------|----------------|------------------------------------------|-------------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------|-------------------------|-------------------------------------|----------------------------------------|
| 61                | 2015 2 Qtr     | 1.563                                    | 1.526                                                 | 1.195                                                 | 1.592                                                 | 138,409,810             | 3,296,958,267                       | 1.425                                  |
| 62                | 2015 3 Qtr     | 1.576                                    | 1.536                                                 | 1.200                                                 | 1.604                                                 | 139,547,956             | 3,317,559,995                       | 1.434                                  |
| 63                | 2015 4 Qtr     | 1.589                                    | 1.547                                                 | 1.204                                                 | 1.617                                                 | 140,695,461             | 3,338,298,107                       | 1.443                                  |
| 64                | 2016 1 Qtr     | 1.602                                    | 1.558                                                 | 1.209                                                 | 1.629                                                 | 141,852,402             | 3,359,173,542                       | 1.452                                  |
| 65                | 2016 2 Qtr     | 1.615                                    | 1.569                                                 | 1.214                                                 | 1.642                                                 | 143,018,857             | 3,380,187,245                       | 1.461                                  |
| 66                | 2016 3 Qtr     | 1.629                                    | 1.580                                                 | 1.219                                                 | 1.654                                                 | 144,194,903             | 3,401,340,168                       | 1.470                                  |
| 67                | 2016 4 Qtr     | 1.642                                    | 1.591                                                 | 1.224                                                 | 1.667                                                 | 145,380,620             | 3,422,633,272                       | 1.480                                  |
| 68                | 2017 1 Qtr     | 1.655                                    | 1.602                                                 | 1.228                                                 | 1.680                                                 | 146,576,087             | 3,444,067,520                       | 1.489                                  |
| 69                | 2017 2 Qtr     | 1.669                                    | 1.614                                                 | 1.233                                                 | 1.692                                                 | 147,781,385             | 3,465,643,887                       | 1.498                                  |
| 70                | 2017 3 Qtr     | 1.683                                    | 1.625                                                 | 1.238                                                 | 1.705                                                 | 148,996,593             | 3,487,363,350                       | 1.508                                  |
| 71                | 2017 4 Qtr     | 1.697                                    | 1.636                                                 | 1.243                                                 | 1.718                                                 | 150,221,795             | 3,509,226,897                       | 1.518                                  |
| 72                | 2018 1 Qtr     | 1.711                                    | 1.648                                                 | 1.248                                                 | 1.732                                                 | 151,457,071             | 3,531,235,521                       | 1.527                                  |
| 73                | 2018 2 Qtr     | 1.725                                    | 1.660                                                 | 1.253                                                 | 1.745                                                 | 152,702,505             | 3,553,390,222                       | 1.537                                  |
| 74                | 2018 3 Qtr     | 1.739                                    | 1.671                                                 | 1.258                                                 | 1.758                                                 | 153,958,180             | 3,575,692,008                       | 1.547                                  |
| 75                | 2018 4 Qtr     | 1.753                                    | 1.683                                                 | 1.263                                                 | 1.772                                                 | 155,224,180             | 3,598,141,892                       | 1.556                                  |
| 76                | 2019 1 Qtr     | 1.768                                    | 1.695                                                 | 1.268                                                 | 1.785                                                 | 156,500,591             | 3,620,740,897                       | 1.566                                  |
| 77                | 2019 2 Qtr     | 1.782                                    | 1.707                                                 | 1.273                                                 | 1.799                                                 | 157,787,498             | 3,643,490,052                       | 1.576                                  |
| 78                | 2019 3 Qtr     | 1.797                                    | 1.719                                                 | 1.278                                                 | 1.813                                                 | 159,084,987             | 3,666,390,392                       | 1.586                                  |
| 79                | 2019 4 Qtr     | 1.812                                    | 1.731                                                 | 1.283                                                 | 1.827                                                 | 160,393,146             | 3,689,442,961                       | 1.596                                  |
| 80                | 2020 1 Qtr     | 1.826                                    | 1.743                                                 | 1.288                                                 | 1.841                                                 | 161,712,061             | 3,712,648,810                       | 1.607                                  |
| 81                | 2020 2 Qtr     | 1.841                                    | 1.755                                                 | 1.294                                                 | 1.855                                                 | 163,041,822             | 3,736,008,997                       | 1.617                                  |
| 82                | 2020 3 Qtr     | 1.857                                    | 1.768                                                 | 1.299                                                 | 1.869                                                 | 164,382,517             | 3,759,524,588                       | 1.627                                  |
| 83                | 2020 4 Qtr     | 1.872                                    | 1.780                                                 | 1.304                                                 | 1.883                                                 | 165,734,237             | 3,783,196,656                       | 1.638                                  |
| Annual Average 9/ |                |                                          |                                                       |                                                       |                                                       |                         |                                     | 2.57%                                  |

- 1/ Table C, Page 4, Column (10).
- 2/ Previous Column (3) x (1 + Quarterly Inflation Rate Change from Table B).
- 3/ Previous Column (4) x (1 + Quarterly Inflation Rate Change from Table B).
- 4/ Previous Column (5) x (1 + Quarterly Inflation Rate Change from Table B).
- 5/ Previous Column (6) x (1 + Quarterly Inflation Rate Change from Table B).
- 6/ Line 1 x Column (3) for applicable quarter.
- 7/ (Line 2 x Column (4) for applicable quarter) + (Line 3 x Column (5) for applicable quarter) + (Line 4 x Column (6) for applicable quarter).
- 8/ (Column (7) + Column (8)) + (Period 0; (Column (7) + Column (8))).
- 9/ Annual weighted inflation using the last two quarters, used to calculate real cost of capital.

TABLE I: TNRR DISCOUNTED CASH FLOW

| Discounted Cash Flow                                                        |                                                      |                |                                 |                     |                                 |                               |                        |                             |                              |
|-----------------------------------------------------------------------------|------------------------------------------------------|----------------|---------------------------------|---------------------|---------------------------------|-------------------------------|------------------------|-----------------------------|------------------------------|
| Present Value of the Cash Flow Discounted at the Cost of Capital in Table A |                                                      |                |                                 |                     |                                 |                               |                        |                             |                              |
| Inflation In Asset Values From Table J                                      |                                                      |                |                                 |                     |                                 |                               |                        |                             |                              |
| 1.                                                                          | June 16, 2000 Road Property Investment               |                |                                 |                     | \$2,411,454,713                 | 1/                            | Federal Tax Rate       |                             | 35.0%                        |
| 2.                                                                          | Interest During Construction (June 16, 2000 Invest.) |                |                                 |                     | \$246,577,983                   | 2/                            |                        |                             |                              |
| 3.                                                                          | Total June 16, 2000 Investment                       |                |                                 |                     | \$2,658,032,697                 | 3/                            | Route Mile Weighted    |                             |                              |
| 4.                                                                          | Present Value Of Replacement Cost for the TNRR       |                |                                 |                     | \$124,909,351                   | 4/                            | Average State Tax Rate |                             | 3.1%                         |
| 5.                                                                          | Total Cost Recovered From Quarterly Revenue Flow     |                |                                 |                     | \$2,782,942,048                 | 5/                            |                        |                             | 6/                           |
| Period                                                                      | Quarter                                              | Requirement 7/ | Interest on Investment Financed | Tax Depreciation 9/ | Actual Federal Tax Payments 10/ | Actual State Tax Payments 11/ | Cash Flow 12/          | Present Value Cash Flow 13/ | Cumulative Present Value 14/ |
| (1)                                                                         | (2)                                                  | (3)            | (4)                             | (5)                 | (6)                             | (7)                           | (8)                    | (9)                         | (10)                         |
| 1                                                                           | June 16 - 30, 2000                                   | \$10,494,951   | \$460,530                       | \$21,877,603        | \$0                             | \$0                           | \$10,494,951           | \$10,591,104                | \$10,591,104                 |
| 2                                                                           | 2000 3 Qtr                                           | 64,407,958     | 16,948,350                      | 134,182,631         | 0                               | 0                             | 64,407,958             | 63,243,729                  | 73,834,833                   |
| 3                                                                           | 2000 4 Qtr                                           | 64,491,935     | 16,941,003                      | 134,182,631         | 0                               | 0                             | 64,491,935             | 61,616,992                  | 135,451,824                  |
| 4                                                                           | 2001 1 Qtr                                           | 65,502,960     | 16,933,525                      | 93,022,754          | 0                               | 0                             | 65,502,960             | 60,957,840                  | 196,409,664                  |
| 5                                                                           | 2001 2 Qtr                                           | 66,174,459     | 16,925,915                      | 93,022,754          | 0                               | 0                             | 66,174,459             | 60,046,682                  | 256,456,346                  |
| 6                                                                           | 2001 3 Qtr                                           | 66,564,397     | 16,918,169                      | 93,022,754          | 0                               | 0                             | 66,564,397             | 58,893,937                  | 315,350,282                  |
| 7                                                                           | 2001 4 Qtr                                           | 66,591,224     | 16,910,285                      | 93,022,754          | 0                               | 0                             | 66,591,224             | 57,448,085                  | 372,798,367                  |
| 8                                                                           | 2002 1 Qtr                                           | 61,966,169     | 15,404,597                      | 70,397,901          | 0                               | 0                             | 61,966,169             | 52,173,851                  | 424,972,218                  |
| 9                                                                           | 2002 2 Qtr                                           | 61,872,181     | 15,393,785                      | 70,397,901          | 0                               | 0                             | 61,872,181             | 50,891,247                  | 475,863,465                  |
| 10                                                                          | 2002 3 Qtr                                           | 61,550,564     | 15,382,814                      | 70,397,901          | 0                               | 0                             | 61,550,564             | 49,457,153                  | 525,320,618                  |
| 11                                                                          | 2002 4 Qtr                                           | 60,744,021     | 15,371,682                      | 70,397,901          | 0                               | 0                             | 60,744,021             | 47,681,513                  | 573,002,131                  |
| 12                                                                          | 2003 1 Qtr                                           | 60,866,833     | 15,360,386                      | 54,131,380          | 0                               | 0                             | 60,866,833             | 46,674,171                  | 619,676,301                  |
| 13                                                                          | 2003 2 Qtr                                           | 63,231,985     | 15,348,925                      | 54,131,380          | 0                               | 0                             | 63,231,985             | 47,367,682                  | 667,043,984                  |
| 14                                                                          | 2003 3 Qtr                                           | 63,466,921     | 15,337,296                      | 54,131,380          | 0                               | 0                             | 63,466,921             | 46,445,342                  | 713,489,326                  |
| 15                                                                          | 2003 4 Qtr                                           | 63,818,486     | 15,325,496                      | 54,131,380          | 0                               | 0                             | 63,818,486             | 45,623,715                  | 759,113,041                  |
| 16                                                                          | 2004 1 Qtr                                           | 64,049,708     | 15,313,523                      | 43,468,477          | 0                               | 0                             | 64,049,708             | 44,731,218                  | 803,844,259                  |
| 17                                                                          | 2004 2 Qtr                                           | 63,999,609     | 15,301,374                      | 43,468,477          | 0                               | 0                             | 63,999,609             | 43,663,677                  | 847,507,936                  |
| 18                                                                          | 2004 3 Qtr                                           | 64,704,906     | 15,289,047                      | 43,468,477          | 0                               | 0                             | 64,704,906             | 43,125,049                  | 890,632,985                  |
| 19                                                                          | 2004 4 Qtr                                           | 65,299,791     | 15,276,539                      | 43,468,477          | 0                               | 0                             | 65,299,791             | 42,516,118                  | 933,149,103                  |
| 20                                                                          | 2005 1 Qtr                                           | 65,538,714     | 15,263,848                      | 36,190,589          | 0                               | 0                             | 65,538,714             | 41,685,896                  | 974,834,999                  |
| 21                                                                          | 2005 2 Qtr                                           | 65,593,079     | 15,250,970                      | 36,190,589          | 0                               | 0                             | 65,593,079             | 40,756,667                  | 1,015,591,666                |
| 22                                                                          | 2005 3 Qtr                                           | 65,922,652     | 15,237,903                      | 36,190,589          | 0                               | 0                             | 65,922,652             | 40,015,176                  | 1,055,606,842                |
| 23                                                                          | 2005 4 Qtr                                           | 66,059,218     | 15,224,645                      | 36,190,589          | 0                               | 0                             | 66,059,218             | 39,171,743                  | 1,094,778,585                |
| 24                                                                          | 2006 1 Qtr                                           | 66,460,158     | 15,211,192                      | 36,035,644          | 0                               | 0                             | 66,460,158             | 38,499,072                  | 1,133,277,667                |
| 25                                                                          | 2006 2 Qtr                                           | 66,863,837     | 15,197,542                      | 36,035,644          | 0                               | 0                             | 66,863,837             | 37,838,124                  | 1,171,115,781                |

**TABLE I: TNRR DISCOUNTED CASH FLOW**  
(Continued)

| Period<br>(1) | Quarter<br>(2) | Quarterly<br>Levelized<br>Capital<br>Carrying<br>Charge<br>Requirement 7/<br>(3) | Interest on<br>Investment<br>Financed<br>With Debt 8/<br>(4) | Depreciation 9/<br>Tax<br>(5) | Actual<br>Federal<br>Tax<br>Payments 10/<br>(6) | Actual<br>State<br>Tax<br>Payments 11/<br>(7) | Cash<br>Flow 12/<br>(8) | Present<br>Value<br>Cash<br>Flow 13/<br>(9) | Cumulative<br>Present<br>Value 14/<br>(10) |
|---------------|----------------|----------------------------------------------------------------------------------|--------------------------------------------------------------|-------------------------------|-------------------------------------------------|-----------------------------------------------|-------------------------|---------------------------------------------|--------------------------------------------|
| 26            | 2006 3 Qtr     | \$67,270,274                                                                     | \$15,183,691                                                 | \$36,035,644                  | \$0                                             | \$0                                           | \$67,270,274            | \$37,188,693                                | \$1,208,304,473                            |
| 27            | 2006 4 Qtr     | 67,679,488                                                                       | 15,169,637                                                   | 36,035,644                    | 0                                               | 0                                             | 67,679,488              | 36,550,574                                  | 1,244,855,047                              |
| 28            | 2007 1 Qtr     | 68,082,819                                                                       | 15,155,377                                                   | 17,883,219                    | 0                                               | 0                                             | 68,082,819              | 35,918,987                                  | 1,280,774,034                              |
| 29            | 2007 2 Qtr     | 68,488,714                                                                       | 15,140,908                                                   | 17,883,219                    | 0                                               | 0                                             | 68,488,714              | 35,298,396                                  | 1,316,072,430                              |
| 30            | 2007 3 Qtr     | 68,897,189                                                                       | 15,126,226                                                   | 17,883,219                    | 0                                               | 0                                             | 68,897,189              | 34,688,608                                  | 1,350,761,038                              |
| 31            | 2007 4 Qtr     | 69,308,262                                                                       | 15,111,329                                                   | 17,883,219                    | 0                                               | 0                                             | 69,308,262              | 34,089,435                                  | 1,384,850,473                              |
| 32            | 2008 1 Qtr     | 69,705,574                                                                       | 15,096,213                                                   | 6,929,904                     | 0                                               | 0                                             | 69,705,574              | 33,492,820                                  | 1,418,343,293                              |
| 33            | 2008 2 Qtr     | 70,105,328                                                                       | 15,080,876                                                   | 6,929,904                     | 0                                               | 0                                             | 70,105,328              | 32,906,724                                  | 1,451,250,016                              |
| 34            | 2008 3 Qtr     | 70,507,540                                                                       | 15,065,313                                                   | 6,929,904                     | 0                                               | 0                                             | 70,507,540              | 32,330,960                                  | 1,483,580,976                              |
| 35            | 2008 4 Qtr     | 70,912,227                                                                       | 15,049,522                                                   | 6,929,904                     | 0                                               | 0                                             | 70,912,227              | 31,765,345                                  | 1,515,346,321                              |
| 36            | 2009 1 Qtr     | 71,332,604                                                                       | 15,033,500                                                   | 6,923,448                     | 0                                               | 0                                             | 71,332,604              | 31,215,475                                  | 1,546,561,796                              |
| 37            | 2009 2 Qtr     | 71,755,712                                                                       | 15,017,242                                                   | 6,923,448                     | 10,944,909                                      | 997,735                                       | 59,813,069              | 25,569,802                                  | 1,572,131,598                              |
| 38            | 2009 3 Qtr     | 72,181,569                                                                       | 15,000,746                                                   | 6,923,448                     | 17,046,207                                      | 1,553,927                                     | 53,581,435              | 22,376,648                                  | 1,594,508,247                              |
| 39            | 2009 4 Qtr     | 72,610,195                                                                       | 14,984,007                                                   | 6,923,448                     | 17,197,265                                      | 1,567,698                                     | 53,845,232              | 21,967,335                                  | 1,616,475,581                              |
| 40            | 2010 1 Qtr     | 73,031,336                                                                       | 14,967,023                                                   | 6,929,904                     | 17,343,678                                      | 1,581,045                                     | 54,106,614              | 21,564,028                                  | 1,638,039,609                              |
| 41            | 2010 2 Qtr     | 73,455,139                                                                       | 14,949,790                                                   | 6,929,904                     | 17,493,267                                      | 1,594,681                                     | 54,367,190              | 21,167,318                                  | 1,659,206,927                              |
| 42            | 2010 3 Qtr     | 73,881,619                                                                       | 14,932,304                                                   | 6,929,904                     | 17,643,851                                      | 1,608,409                                     | 54,629,360              | 20,778,035                                  | 1,679,984,961                              |
| 43            | 2010 4 Qtr     | 74,310,796                                                                       | 14,914,561                                                   | 6,929,904                     | 17,795,437                                      | 1,622,227                                     | 54,893,133              | 20,396,037                                  | 1,700,380,998                              |
| 44            | 2011 1 Qtr     | 74,770,784                                                                       | 14,896,558                                                   | 6,923,448                     | 17,959,750                                      | 1,637,206                                     | 55,173,828              | 20,026,742                                  | 1,720,407,740                              |
| 45            | 2011 2 Qtr     | 75,233,824                                                                       | 14,878,291                                                   | 6,923,448                     | 18,122,999                                      | 1,652,088                                     | 55,458,737              | 19,665,119                                  | 1,740,072,859                              |
| 46            | 2011 3 Qtr     | 75,699,937                                                                       | 14,859,755                                                   | 6,923,448                     | 18,287,381                                      | 1,667,073                                     | 55,745,483              | 19,310,152                                  | 1,759,383,011                              |
| 47            | 2011 4 Qtr     | 76,169,145                                                                       | 14,840,948                                                   | 6,923,448                     | 18,452,906                                      | 1,682,162                                     | 56,034,078              | 18,961,717                                  | 1,778,344,728                              |
| 48            | 2012 1 Qtr     | 76,623,498                                                                       | 14,821,865                                                   | 6,929,904                     | 18,611,295                                      | 1,696,600                                     | 56,315,603              | 18,616,738                                  | 1,796,961,466                              |
| 49            | 2012 2 Qtr     | 77,080,775                                                                       | 14,802,502                                                   | 6,929,904                     | 18,772,961                                      | 1,711,338                                     | 56,596,476              | 18,277,368                                  | 1,815,238,834                              |
| 50            | 2012 3 Qtr     | 77,540,993                                                                       | 14,782,854                                                   | 6,929,904                     | 18,935,721                                      | 1,726,175                                     | 56,879,097              | 17,944,294                                  | 1,833,183,127                              |
| 51            | 2012 4 Qtr     | 78,004,174                                                                       | 14,762,919                                                   | 6,929,904                     | 19,099,584                                      | 1,741,113                                     | 57,163,478              | 17,617,397                                  | 1,850,800,524                              |
| 52            | 2013 1 Qtr     | 78,495,950                                                                       | 14,742,690                                                   | 6,923,448                     | 19,275,434                                      | 1,757,143                                     | 57,463,372              | 17,300,698                                  | 1,868,101,222                              |
| 53            | 2013 2 Qtr     | 78,991,013                                                                       | 14,722,165                                                   | 6,923,448                     | 19,450,310                                      | 1,773,085                                     | 57,767,618              | 16,990,509                                  | 1,885,091,730                              |
| 54            | 2013 3 Qtr     | 79,489,387                                                                       | 14,701,339                                                   | 6,923,448                     | 19,626,412                                      | 1,789,138                                     | 58,073,837              | 16,685,985                                  | 1,901,777,716                              |
| 55            | 2013 4 Qtr     | 79,991,095                                                                       | 14,680,207                                                   | 6,923,448                     | 19,803,748                                      | 1,805,304                                     | 58,382,043              | 16,387,022                                  | 1,918,164,738                              |
| 56            | 2014 1 Qtr     | 80,496,160                                                                       | 14,658,765                                                   | 6,929,904                     | 19,980,138                                      | 1,821,384                                     | 58,694,639              | 16,094,171                                  | 1,934,258,908                              |
| 57            | 2014 2 Qtr     | 81,004,606                                                                       | 14,637,009                                                   | 6,929,904                     | 20,159,971                                      | 1,837,777                                     | 59,006,858              | 15,806,003                                  | 1,950,064,912                              |
| 58            | 2014 3 Qtr     | 81,516,455                                                                       | 14,614,933                                                   | 6,929,904                     | 20,341,067                                      | 1,854,286                                     | 59,321,103              | 15,523,091                                  | 1,965,588,003                              |
| 59            | 2014 4 Qtr     | 82,031,733                                                                       | 14,592,533                                                   | 6,929,904                     | 20,523,435                                      | 1,870,911                                     | 59,637,387              | 15,245,337                                  | 1,980,833,340                              |
| 60            | 2015 1 Qtr     | 82,550,462                                                                       | 14,569,805                                                   | 4,541,163                     | 21,517,294                                      | 1,961,511                                     | 59,071,657              | 14,751,867                                  | 1,995,585,206                              |

**TABLE I: TNRR DISCOUNTED CASH FLOW**  
(Continued)

| Quarterly<br>Levelized<br>Capital<br>Carrying<br>Charge<br>Requirement 7/ | Quarter<br>(2) | Interest on<br>Investment<br>Financed<br>With Debt 8/<br>(4) | Tax<br>Depreciation 9/<br>(5) | Actual<br>Federal<br>Tax<br>Payments 10/<br>(6) | Actual<br>State<br>Tax<br>Payments 11/<br>(7) | Cash<br>Flow 12/<br>(8) | Present<br>Value<br>Cash<br>Flow 13/<br>(9) | Cumulative<br>Present<br>Value 14/<br>(10) |
|---------------------------------------------------------------------------|----------------|--------------------------------------------------------------|-------------------------------|-------------------------------------------------|-----------------------------------------------|-------------------------|---------------------------------------------|--------------------------------------------|
| (1)                                                                       |                |                                                              |                               |                                                 |                                               |                         |                                             |                                            |
| 61                                                                        | 2015 2 Qtr     | \$83,072,667                                                 | \$4,541,163                   | \$21,702,237                                    | \$1,978,370                                   | \$59,392,060            | \$14,489,241                                | \$2,010,074,447                            |
| 62                                                                        | 2015 3 Qtr     | 83,598,372                                                   | 4,541,163                     | 21,888,482                                      | 1,995,348                                     | 59,714,542              | 14,231,372                                  | 2,024,305,819                              |
| 63                                                                        | 2015 4 Qtr     | 84,127,601                                                   | 4,541,163                     | 22,076,038                                      | 2,012,445                                     | 60,039,117              | 13,978,172                                  | 2,038,283,991                              |
| 64                                                                        | 2016 1 Qtr     | 84,660,379                                                   | 3,114,374                     | 22,748,852                                      | 2,073,779                                     | 59,837,748              | 13,609,455                                  | 2,051,893,446                              |
| 65                                                                        | 2016 2 Qtr     | 85,196,730                                                   | 3,114,374                     | 22,939,062                                      | 2,091,118                                     | 60,166,550              | 13,368,110                                  | 2,065,261,555                              |
| 66                                                                        | 2016 3 Qtr     | 85,736,680                                                   | 3,114,374                     | 23,130,614                                      | 2,108,580                                     | 60,497,486              | 13,131,116                                  | 2,078,392,672                              |
| 67                                                                        | 2016 4 Qtr     | 86,280,254                                                   | 3,114,374                     | 23,323,519                                      | 2,126,165                                     | 60,830,569              | 12,898,393                                  | 2,091,291,065                              |
| 68                                                                        | 2017 1 Qtr     | 86,827,476                                                   | 3,114,374                     | 23,517,787                                      | 2,143,875                                     | 61,165,815              | 12,669,863                                  | 2,103,960,928                              |
| 69                                                                        | 2017 2 Qtr     | 87,378,373                                                   | 3,114,374                     | 23,713,428                                      | 2,161,709                                     | 61,503,236              | 12,445,448                                  | 2,116,406,375                              |
| 70                                                                        | 2017 3 Qtr     | 87,932,970                                                   | 3,114,374                     | 23,910,453                                      | 2,179,670                                     | 61,842,847              | 12,225,073                                  | 2,128,631,448                              |
| 71                                                                        | 2017 4 Qtr     | 88,491,293                                                   | 3,114,374                     | 24,108,873                                      | 2,197,758                                     | 62,184,662              | 12,008,663                                  | 2,140,640,111                              |
| 72                                                                        | 2018 1 Qtr     | 89,053,367                                                   | 3,114,374                     | 24,308,698                                      | 2,215,974                                     | 62,528,696              | 11,796,147                                  | 2,152,436,258                              |
| 73                                                                        | 2018 2 Qtr     | 89,619,220                                                   | 3,114,374                     | 24,509,939                                      | 2,234,319                                     | 62,874,962              | 11,587,452                                  | 2,164,023,710                              |
| 74                                                                        | 2018 3 Qtr     | 90,188,877                                                   | 3,114,374                     | 24,712,607                                      | 2,252,794                                     | 63,223,475              | 11,382,509                                  | 2,175,406,219                              |
| 75                                                                        | 2018 4 Qtr     | 90,762,365                                                   | 3,114,374                     | 24,916,713                                      | 2,271,401                                     | 63,574,251              | 11,181,249                                  | 2,186,587,468                              |
| 76                                                                        | 2019 1 Qtr     | 91,339,710                                                   | 3,114,374                     | 25,122,269                                      | 2,290,139                                     | 63,927,302              | 10,983,603                                  | 2,197,571,071                              |
| 77                                                                        | 2019 2 Qtr     | 91,920,940                                                   | 3,114,374                     | 25,329,285                                      | 2,309,010                                     | 64,282,645              | 10,789,507                                  | 2,208,360,579                              |
| 78                                                                        | 2019 3 Qtr     | 92,506,082                                                   | 3,114,374                     | 25,537,772                                      | 2,328,016                                     | 64,640,294              | 10,598,896                                  | 2,218,959,474                              |
| 79                                                                        | 2019 4 Qtr     | 93,095,164                                                   | 3,114,374                     | 25,747,743                                      | 2,347,157                                     | 65,000,264              | 10,411,704                                  | 2,229,371,179                              |
| 80                                                                        | 2020 1 Qtr     | 93,688,211                                                   | 3,114,374                     | 25,959,208                                      | 2,366,434                                     | 65,362,569              | 10,227,871                                  | 2,239,599,050                              |
| 81                                                                        | 2020 2 Qtr     | 94,285,254                                                   | 3,114,374                     | 26,172,180                                      | 2,385,849                                     | 65,727,225              | 10,047,334                                  | 2,249,646,384                              |
| 82                                                                        | 2020 3 Qtr     | 94,886,318                                                   | 3,114,374                     | 26,386,669                                      | 2,405,401                                     | 66,094,248              | 9,870,033                                   | 2,259,516,417                              |
| 83                                                                        | 2020 4 Qtr     | 95,491,433                                                   | 3,114,374                     | 26,602,688                                      | 2,425,094                                     | 66,463,652              | 9,695,910                                   | 2,269,212,327                              |
|                                                                           | Future         | 4,986,792,125                                                | 361,267,419                   | 1,156,821,773                                   | 105,455,549                                   | 3,724,514,803           | 543,342,998                                 | 2,782,942,048                              |

1/ From Table C, Column (10).

2/ From Table D, Column (8).

3/ Line 1 + Line 2.

4/ Table F Column (6).

5/ Line 3 + Line 4.

6/ Route mile weighted average state tax rates for Wyoming, South Dakota, Nebraska, Colorado, Oklahoma and Texas.

7/ Quarterly carrying costs needed to recover the total investment over 83 quarters after consideration of the applicable interest payments, tax depreciation and tax liability. The Future value is an estimate of a perpetual income stream for the TNRR and is calculated by taking the Period 83, Column (3) value and dividing it by the TNRR's estimated quarterly Real Cost of Capital.

8/ Value from Table E.

9/ Value from Table G, Page 12, Column (14) divided by 4 quarters.

10/ Table J, Part 1 Pages 20, 21 of 28.

11/ Table J, Part 2 Pages 22, 23 of 28.

12/ (Column (3) - Column (6) - Column (7)).

13/ (Column (8) discounted by the fourth root of the annual Cost of Capital adjusted to midquarter dollars from Table A.

14/ Cumulative total of Column (9).

TABLE J - PART 1: COMPUTATION OF FEDERAL TAX LIABILITY - TAXABLE INCOME

| Time Period | Taxable Income<br>B/4 NOL's | Net Operating Losses<br>Generated 2/ | NOL's<br>Generated Plus<br>Carryforward 3/ | Carryforward<br>Utilized 4/ | Carryforward<br>Remaining 5/ | Carryback<br>Available 6/ | Carryback<br>Utilized 7/ | Carryback<br>Remaining 8/ | Annual<br>Taxable<br>Income 9/<br>(10) | Annual<br>Tax<br>Liability 10/<br>(11) |
|-------------|-----------------------------|--------------------------------------|--------------------------------------------|-----------------------------|------------------------------|---------------------------|--------------------------|---------------------------|----------------------------------------|----------------------------------------|
| 1998        | (\$1,366,220)               | (\$1,366,220)                        | (\$1,366,220)                              | \$0                         | (\$1,366,220)                | (\$1,366,220)             | \$0                      | (\$1,366,220)             | \$0                                    | \$0                                    |
| 1999        | (26,580,756)                | (26,580,756)                         | (27,946,977)                               | 0                           | (27,946,977)                 | (27,946,977)              | 0                        | (27,946,977)              | 0                                      | 0                                      |
| 2000        | (34,978,161)                | (34,978,161)                         | (62,925,138)                               | 0                           | (62,925,138)                 | (62,925,138)              | 0                        | (62,925,138)              | 0                                      | 0                                      |
| 2000 2 Qtr  | (11,843,182)                | (11,843,182)                         | (74,768,319)                               | 0                           | (74,768,319)                 | (74,768,319)              | 0                        | (74,768,319)              | 0                                      | 0                                      |
| 2000 3 Qtr  | (86,723,024)                | (86,723,024)                         | (161,491,343)                              | 0                           | (161,491,343)                | (161,491,343)             | 0                        | (161,491,343)             | 0                                      | 0                                      |
| 2000 4 Qtr  | (86,631,899)                | (86,631,899)                         | (248,123,042)                              | 0                           | (248,123,042)                | (248,123,042)             | 0                        | (248,123,042)             | 0                                      | 0                                      |
| 2001 1 Qtr  | (44,453,319)                | (44,453,319)                         | (292,576,361)                              | 0                           | (292,576,361)                | (292,576,361)             | 0                        | (292,576,361)             | 0                                      | 0                                      |
| 2001 2 Qtr  | (43,774,210)                | (43,774,210)                         | (336,350,571)                              | 0                           | (336,350,571)                | (336,350,571)             | 0                        | (336,350,571)             | 0                                      | 0                                      |
| 2001 3 Qtr  | (43,376,526)                | (43,376,526)                         | (379,727,097)                              | 0                           | (379,727,097)                | (379,727,097)             | 0                        | (379,727,097)             | 0                                      | 0                                      |
| 2001 4 Qtr  | (43,341,815)                | (43,341,815)                         | (423,068,912)                              | 0                           | (423,068,912)                | (423,068,912)             | 0                        | (423,068,912)             | 0                                      | 0                                      |
| 2002 1 Qtr  | (23,836,329)                | (23,836,329)                         | (446,905,241)                              | 0                           | (446,905,241)                | (446,905,241)             | 0                        | (446,905,241)             | 0                                      | 0                                      |
| 2002 2 Qtr  | (23,919,504)                | (23,919,504)                         | (470,824,745)                              | 0                           | (470,824,745)                | (470,824,745)             | 0                        | (470,824,745)             | 0                                      | 0                                      |
| 2002 3 Qtr  | (24,230,151)                | (24,230,151)                         | (495,054,895)                              | 0                           | (495,054,895)                | (495,054,895)             | 0                        | (495,054,895)             | 0                                      | 0                                      |
| 2002 4 Qtr  | (25,025,562)                | (25,025,562)                         | (520,080,457)                              | 0                           | (520,080,457)                | (520,080,457)             | 0                        | (520,080,457)             | 0                                      | 0                                      |
| 2003 1 Qtr  | (8,624,934)                 | (8,624,934)                          | (528,705,391)                              | 0                           | (528,705,391)                | (528,705,391)             | 0                        | (528,705,391)             | 0                                      | 0                                      |
| 2003 2 Qtr  | (6,248,320)                 | (6,248,320)                          | (534,953,711)                              | 0                           | (534,953,711)                | (534,953,711)             | 0                        | (534,953,711)             | 0                                      | 0                                      |
| 2003 3 Qtr  | (6,001,755)                 | (6,001,755)                          | (540,955,467)                              | 0                           | (540,955,467)                | (540,955,467)             | 0                        | (540,955,467)             | 0                                      | 0                                      |
| 2003 4 Qtr  | (5,638,390)                 | (5,638,390)                          | (546,593,857)                              | 0                           | (546,593,857)                | (546,593,857)             | 0                        | (546,593,857)             | 0                                      | 0                                      |
| 2004 1 Qtr  | 5,267,708                   | 0                                    | (546,593,857)                              | 5,267,708                   | (541,326,149)                | (541,326,149)             | 0                        | (541,326,149)             | 0                                      | 0                                      |
| 2004 2 Qtr  | 5,229,758                   | 0                                    | (541,326,149)                              | 5,229,758                   | (536,096,391)                | (536,096,391)             | 0                        | (536,096,391)             | 0                                      | 0                                      |
| 2004 3 Qtr  | 5,947,382                   | 0                                    | (530,149,009)                              | 5,947,382                   | (530,149,009)                | (530,149,009)             | 0                        | (530,149,009)             | 0                                      | 0                                      |
| 2004 4 Qtr  | 6,554,775                   | 0                                    | (523,594,235)                              | 6,554,775                   | (523,594,235)                | (523,594,235)             | 0                        | (523,594,235)             | 0                                      | 0                                      |
| 2005 1 Qtr  | 14,084,277                  | 0                                    | (523,594,235)                              | 14,084,277                  | (509,509,958)                | (509,509,958)             | 0                        | (509,509,958)             | 0                                      | 0                                      |
| 2005 2 Qtr  | 14,151,520                  | 0                                    | (509,509,958)                              | 14,151,520                  | (495,358,438)                | (495,358,438)             | 0                        | (495,358,438)             | 0                                      | 0                                      |
| 2005 3 Qtr  | 14,494,160                  | 0                                    | (495,358,438)                              | 14,494,160                  | (480,864,278)                | (480,864,278)             | 0                        | (480,864,278)             | 0                                      | 0                                      |
| 2005 4 Qtr  | 14,643,984                  | 0                                    | (480,864,278)                              | 14,643,984                  | (466,220,294)                | (466,220,294)             | 0                        | (466,220,294)             | 0                                      | 0                                      |
| 2006 1 Qtr  | 15,213,322                  | 0                                    | (466,220,294)                              | 15,213,322                  | (451,006,972)                | (451,006,972)             | 0                        | (451,006,972)             | 0                                      | 0                                      |
| 2006 2 Qtr  | 15,630,651                  | 0                                    | (435,376,320)                              | 15,630,651                  | (435,376,320)                | (435,376,320)             | 0                        | (435,376,320)             | 0                                      | 0                                      |
| 2006 3 Qtr  | 16,050,939                  | 0                                    | (419,325,382)                              | 16,050,939                  | (419,325,382)                | (419,325,382)             | 0                        | (419,325,382)             | 0                                      | 0                                      |
| 2006 4 Qtr  | 16,474,207                  | 0                                    | (419,325,382)                              | 16,474,207                  | (402,851,174)                | (402,851,174)             | 0                        | (402,851,174)             | 0                                      | 0                                      |
| 2007 1 Qtr  | 35,044,223                  | 0                                    | (402,851,174)                              | 35,044,223                  | (367,806,951)                | (367,806,951)             | 0                        | (367,806,951)             | 0                                      | 0                                      |
| 2007 2 Qtr  | 35,464,587                  | 0                                    | (367,806,951)                              | 35,464,587                  | (332,342,365)                | (332,342,365)             | 0                        | (332,342,365)             | 0                                      | 0                                      |
| 2007 3 Qtr  | 35,887,744                  | 0                                    | (332,342,365)                              | 35,887,744                  | (296,454,621)                | (296,454,621)             | 0                        | (296,454,621)             | 0                                      | 0                                      |
| 2007 4 Qtr  | 36,313,714                  | 0                                    | (296,454,621)                              | 36,313,714                  | (260,140,907)                | (260,140,907)             | 0                        | (260,140,907)             | 0                                      | 0                                      |
| 2008 1 Qtr  | 47,679,457                  | 0                                    | (260,140,907)                              | 47,679,457                  | (212,461,450)                | (212,461,450)             | 0                        | (212,461,450)             | 0                                      | 0                                      |
| 2008 2 Qtr  | 48,094,548                  | 0                                    | (212,461,450)                              | 48,094,548                  | (164,366,902)                | (164,366,902)             | 0                        | (164,366,902)             | 0                                      | 0                                      |
| 2008 3 Qtr  | 48,512,324                  | 0                                    | (164,366,902)                              | 48,512,324                  | (115,854,578)                | (115,854,578)             | 0                        | (115,854,578)             | 0                                      | 0                                      |
| 2008 4 Qtr  | 48,932,801                  | 0                                    | (115,854,578)                              | 48,932,801                  | (66,921,777)                 | (66,921,777)              | 0                        | (66,921,777)              | 0                                      | 0                                      |
| 2009 1 Qtr  | 49,375,657                  | 0                                    | (66,921,777)                               | 49,375,657                  | (17,546,120)                 | (17,546,120)              | 0                        | (17,546,120)              | 0                                      | 0                                      |
| 2009 2 Qtr  | 48,817,288                  | 0                                    | (17,546,120)                               | 17,546,120                  | 0                            | 0                         | 0                        | 0                         | 31,271,168                             | 10,944,909                             |
| 2009 3 Qtr  | 48,703,449                  | 0                                    | 0                                          | 0                           | 0                            | 0                         | 0                        | 0                         | 48,703,449                             | 17,046,207                             |
| 2009 4 Qtr  | 49,135,042                  | 0                                    | 0                                          | 0                           | 0                            | 0                         | 0                        | 0                         | 49,135,042                             | 17,197,265                             |
| 2010 1 Qtr  | 49,553,365                  | 0                                    | 0                                          | 0                           | 0                            | 0                         | 0                        | 0                         | 49,553,365                             | 17,343,678                             |
| 2010 2 Qtr  | 49,980,764                  | 0                                    | 0                                          | 0                           | 0                            | 0                         | 0                        | 0                         | 49,980,764                             | 17,493,267                             |
| 2010 3 Qtr  | 50,411,004                  | 0                                    | 0                                          | 0                           | 0                            | 0                         | 0                        | 0                         | 50,411,004                             | 17,643,851                             |

TABLE J - PART 1: COMPUTATION OF FEDERAL TAX LIABILITY - TAXABLE INCOME  
(Continued)

| Time Period | Taxable Income B/4 NOL's (1) | Net Operating Losses Generated 2/ (3) | NOL's Generated Plus Carryforward 3/ (4) | Carryforward Utilized 4/ (5) | Carryforward Remaining 5/ (6) | Carryback Available 6/ (7) | Carryback Utilized 7/ (8) | Carryback Remaining 8/ (9) | Annual Taxable Income 9/ (10) | Annual Tax Liability 10/ (11) |
|-------------|------------------------------|---------------------------------------|------------------------------------------|------------------------------|-------------------------------|----------------------------|---------------------------|----------------------------|-------------------------------|-------------------------------|
| 2010 4 Qtr  | 50,844,105                   | 0                                     | 0                                        | 0                            | 0                             | 0                          | 0                         | 0                          | 50,844,105                    | 17,795,437                    |
| 2011 1 Qtr  | 51,313,572                   | 0                                     | 0                                        | 0                            | 0                             | 0                          | 0                         | 0                          | 51,313,572                    | 17,959,750                    |
| 2011 2 Qtr  | 51,779,998                   | 0                                     | 0                                        | 0                            | 0                             | 0                          | 0                         | 0                          | 51,779,998                    | 18,122,999                    |
| 2011 3 Qtr  | 52,249,661                   | 0                                     | 0                                        | 0                            | 0                             | 0                          | 0                         | 0                          | 52,249,661                    | 18,287,381                    |
| 2011 4 Qtr  | 52,722,588                   | 0                                     | 0                                        | 0                            | 0                             | 0                          | 0                         | 0                          | 52,722,588                    | 18,452,906                    |
| 2012 1 Qtr  | 53,175,129                   | 0                                     | 0                                        | 0                            | 0                             | 0                          | 0                         | 0                          | 53,175,129                    | 18,611,295                    |
| 2012 2 Qtr  | 53,637,031                   | 0                                     | 0                                        | 0                            | 0                             | 0                          | 0                         | 0                          | 53,637,031                    | 18,772,961                    |
| 2012 3 Qtr  | 54,102,060                   | 0                                     | 0                                        | 0                            | 0                             | 0                          | 0                         | 0                          | 54,102,060                    | 18,935,721                    |
| 2012 4 Qtr  | 54,570,239                   | 0                                     | 0                                        | 0                            | 0                             | 0                          | 0                         | 0                          | 54,570,239                    | 19,099,584                    |
| 2013 1 Qtr  | 55,072,668                   | 0                                     | 0                                        | 0                            | 0                             | 0                          | 0                         | 0                          | 55,072,668                    | 19,275,434                    |
| 2013 2 Qtr  | 55,572,315                   | 0                                     | 0                                        | 0                            | 0                             | 0                          | 0                         | 0                          | 55,572,315                    | 19,450,310                    |
| 2013 3 Qtr  | 56,075,462                   | 0                                     | 0                                        | 0                            | 0                             | 0                          | 0                         | 0                          | 56,075,462                    | 19,626,412                    |
| 2013 4 Qtr  | 56,582,136                   | 0                                     | 0                                        | 0                            | 0                             | 0                          | 0                         | 0                          | 56,582,136                    | 19,803,748                    |
| 2014 1 Qtr  | 57,086,107                   | 0                                     | 0                                        | 0                            | 0                             | 0                          | 0                         | 0                          | 57,086,107                    | 19,980,138                    |
| 2014 2 Qtr  | 57,599,916                   | 0                                     | 0                                        | 0                            | 0                             | 0                          | 0                         | 0                          | 57,599,916                    | 20,159,971                    |
| 2014 3 Qtr  | 58,117,333                   | 0                                     | 0                                        | 0                            | 0                             | 0                          | 0                         | 0                          | 58,117,333                    | 20,341,067                    |
| 2014 4 Qtr  | 58,638,386                   | 0                                     | 0                                        | 0                            | 0                             | 0                          | 0                         | 0                          | 58,638,386                    | 20,523,435                    |
| 2015 1 Qtr  | 61,477,984                   | 0                                     | 0                                        | 0                            | 0                             | 0                          | 0                         | 0                          | 61,477,984                    | 21,517,294                    |
| 2015 2 Qtr  | 62,006,392                   | 0                                     | 0                                        | 0                            | 0                             | 0                          | 0                         | 0                          | 62,006,392                    | 21,702,237                    |
| 2015 3 Qtr  | 62,538,519                   | 0                                     | 0                                        | 0                            | 0                             | 0                          | 0                         | 0                          | 62,538,519                    | 21,888,482                    |
| 2015 4 Qtr  | 63,074,394                   | 0                                     | 0                                        | 0                            | 0                             | 0                          | 0                         | 0                          | 63,074,394                    | 22,076,038                    |
| 2016 1 Qtr  | 64,996,719                   | 0                                     | 0                                        | 0                            | 0                             | 0                          | 0                         | 0                          | 64,996,719                    | 22,748,852                    |
| 2016 2 Qtr  | 65,540,177                   | 0                                     | 0                                        | 0                            | 0                             | 0                          | 0                         | 0                          | 65,540,177                    | 22,939,062                    |
| 2016 3 Qtr  | 66,087,469                   | 0                                     | 0                                        | 0                            | 0                             | 0                          | 0                         | 0                          | 66,087,469                    | 23,130,814                    |
| 2016 4 Qtr  | 66,638,626                   | 0                                     | 0                                        | 0                            | 0                             | 0                          | 0                         | 0                          | 66,638,626                    | 23,323,519                    |
| 2017 1 Qtr  | 67,193,677                   | 0                                     | 0                                        | 0                            | 0                             | 0                          | 0                         | 0                          | 67,193,677                    | 23,517,787                    |
| 2017 2 Qtr  | 67,752,652                   | 0                                     | 0                                        | 0                            | 0                             | 0                          | 0                         | 0                          | 67,752,652                    | 23,713,428                    |
| 2017 3 Qtr  | 68,315,580                   | 0                                     | 0                                        | 0                            | 0                             | 0                          | 0                         | 0                          | 68,315,580                    | 23,910,453                    |
| 2017 4 Qtr  | 68,882,494                   | 0                                     | 0                                        | 0                            | 0                             | 0                          | 0                         | 0                          | 68,882,494                    | 24,108,873                    |
| 2018 1 Qtr  | 69,453,422                   | 0                                     | 0                                        | 0                            | 0                             | 0                          | 0                         | 0                          | 69,453,422                    | 24,308,698                    |
| 2018 2 Qtr  | 70,028,397                   | 0                                     | 0                                        | 0                            | 0                             | 0                          | 0                         | 0                          | 70,028,397                    | 24,509,939                    |
| 2018 3 Qtr  | 70,607,449                   | 0                                     | 0                                        | 0                            | 0                             | 0                          | 0                         | 0                          | 70,607,449                    | 24,712,607                    |
| 2018 4 Qtr  | 71,190,609                   | 0                                     | 0                                        | 0                            | 0                             | 0                          | 0                         | 0                          | 71,190,609                    | 24,916,713                    |
| 2019 1 Qtr  | 71,777,911                   | 0                                     | 0                                        | 0                            | 0                             | 0                          | 0                         | 0                          | 71,777,911                    | 25,122,269                    |
| 2019 2 Qtr  | 72,369,385                   | 0                                     | 0                                        | 0                            | 0                             | 0                          | 0                         | 0                          | 72,369,385                    | 25,329,285                    |
| 2019 3 Qtr  | 72,965,063                   | 0                                     | 0                                        | 0                            | 0                             | 0                          | 0                         | 0                          | 72,965,063                    | 25,537,772                    |
| 2019 4 Qtr  | 73,564,980                   | 0                                     | 0                                        | 0                            | 0                             | 0                          | 0                         | 0                          | 73,564,980                    | 25,747,743                    |
| 2020 1 Qtr  | 74,169,166                   | 0                                     | 0                                        | 0                            | 0                             | 0                          | 0                         | 0                          | 74,169,166                    | 25,959,208                    |
| 2020 2 Qtr  | 74,777,656                   | 0                                     | 0                                        | 0                            | 0                             | 0                          | 0                         | 0                          | 74,777,656                    | 26,172,180                    |
| 2020 3 Qtr  | 75,390,483                   | 0                                     | 0                                        | 0                            | 0                             | 0                          | 0                         | 0                          | 75,390,483                    | 26,386,669                    |
| 2020 4 Qtr  | 76,007,680                   | 0                                     | 0                                        | 0                            | 0                             | 0                          | 0                         | 0                          | 76,007,680                    | 26,602,668                    |
| Future      | 3,305,205,067                | 0                                     | 0                                        | 0                            | 0                             | 0                          | 0                         | 0                          | 3,305,205,067                 | 1,156,821,773                 |

1/ Table I, Column (3) - Table E, Columns (6),(12) & (18) - Table G, Column (14) / 4 - Table J Part 2, Column (11).

Values for 1998-2000 from Table D, Sum of Column (10).

2/ Column (2) if less than zero, otherwise zero.

3/ Cumulative total of Column (2).

4/ If Column (2) is greater than zero, and (Column (2) + Column (4) is less than zero, then Column (2), otherwise Column (4).

5/ Column (4) + Column (5) + Column (8).

6/ Previous period Column (9) + current period Column (3) - current period Column (5).

7/ If previous Column (10) is greater than zero, and previous Column (10) is less than current Column (7), then previous Column (10), otherwise zero.

8/ Column (7) + Column (8).

9/ If Column (2) is greater than zero, then Column (2) - Column (5) - Column (8), otherwise zero.

10/ Column (10) times applicable Federal Statutory Tax Rate.

| Time Period | Taxable Income<br>8/4 NOL's<br>T&NRR 1/ | Net Operating Losses<br>Generated 2/ | NOL's Generated<br>Plus<br>Carryforward 3/ | Carryforward Utilized 4/ | Carryforward Remaining 5/ | Carryback Available 6/ | Carryback Utilized 7/ | Carryback Remaining 8/ | Annual Taxable Income 9/ | Annual Tax Liability 10/ |
|-------------|-----------------------------------------|--------------------------------------|--------------------------------------------|--------------------------|---------------------------|------------------------|-----------------------|------------------------|--------------------------|--------------------------|
|             |                                         |                                      |                                            |                          |                           |                        |                       |                        |                          |                          |
| (1)         | (2)                                     | (3)                                  | (4)                                        | (5)                      | (6)                       | (7)                    | (8)                   | (9)                    | (10)                     | (11)                     |
| 1998        | (\$1,366,220)                           | (\$1,366,220)                        | (\$1,366,220)                              | \$0                      | (\$1,366,220)             | (\$1,366,220)          | \$0                   | (\$1,366,220)          | \$0                      | \$0                      |
| 1999        | (26,580,756)                            | (26,580,756)                         | (27,946,977)                               | 0                        | (27,946,977)              | (27,946,977)           | 0                     | (27,946,977)           | 0                        | 0                        |
| 2000        | (34,978,161)                            | (34,978,161)                         | (62,925,138)                               | 0                        | (62,925,138)              | (62,925,138)           | 0                     | (62,925,138)           | 0                        | 0                        |
| 2000 2 Qtr  | (11,843,182)                            | (11,843,182)                         | (74,768,319)                               | 0                        | (74,768,319)              | (74,768,319)           | 0                     | (74,768,319)           | 0                        | 0                        |
| 2000 3 Qtr  | (86,723,024)                            | (86,723,024)                         | (161,491,343)                              | 0                        | (161,491,343)             | (161,491,343)          | 0                     | (161,491,343)          | 0                        | 0                        |
| 2000 4 Qtr  | (86,631,699)                            | (86,631,699)                         | (248,123,042)                              | 0                        | (248,123,042)             | (248,123,042)          | 0                     | (248,123,042)          | 0                        | 0                        |
| 2001 1 Qtr  | (44,453,319)                            | (44,453,319)                         | (292,576,361)                              | 0                        | (292,576,361)             | (292,576,361)          | 0                     | (292,576,361)          | 0                        | 0                        |
| 2001 2 Qtr  | (43,774,210)                            | (43,774,210)                         | (336,350,571)                              | 0                        | (336,350,571)             | (336,350,571)          | 0                     | (336,350,571)          | 0                        | 0                        |
| 2001 3 Qtr  | (43,376,526)                            | (43,376,526)                         | (379,727,097)                              | 0                        | (379,727,097)             | (379,727,097)          | 0                     | (379,727,097)          | 0                        | 0                        |
| 2001 4 Qtr  | (43,341,815)                            | (43,341,815)                         | (423,068,912)                              | 0                        | (423,068,912)             | (423,068,912)          | 0                     | (423,068,912)          | 0                        | 0                        |
| 2002 1 Qtr  | (23,836,329)                            | (23,836,329)                         | (446,905,241)                              | 0                        | (446,905,241)             | (446,905,241)          | 0                     | (446,905,241)          | 0                        | 0                        |
| 2002 2 Qtr  | (23,919,504)                            | (23,919,504)                         | (470,824,745)                              | 0                        | (470,824,745)             | (470,824,745)          | 0                     | (470,824,745)          | 0                        | 0                        |
| 2002 3 Qtr  | (24,230,151)                            | (24,230,151)                         | (495,054,895)                              | 0                        | (495,054,895)             | (495,054,895)          | 0                     | (495,054,895)          | 0                        | 0                        |
| 2002 4 Qtr  | (25,025,562)                            | (25,025,562)                         | (520,080,457)                              | 0                        | (520,080,457)             | (520,080,457)          | 0                     | (520,080,457)          | 0                        | 0                        |
| 2003 1 Qtr  | (8,624,934)                             | (8,624,934)                          | (528,705,391)                              | 0                        | (528,705,391)             | (528,705,391)          | 0                     | (528,705,391)          | 0                        | 0                        |
| 2003 2 Qtr  | (6,248,320)                             | (6,248,320)                          | (534,953,711)                              | 0                        | (534,953,711)             | (534,953,711)          | 0                     | (534,953,711)          | 0                        | 0                        |
| 2003 3 Qtr  | (6,001,755)                             | (6,001,755)                          | (540,955,467)                              | 0                        | (540,955,467)             | (540,955,467)          | 0                     | (540,955,467)          | 0                        | 0                        |
| 2003 4 Qtr  | (5,638,390)                             | (5,638,390)                          | (546,593,857)                              | 0                        | (546,593,857)             | (546,593,857)          | 0                     | (546,593,857)          | 0                        | 0                        |
| 2004 1 Qtr  | 5,267,708                               | 0                                    | (546,593,857)                              | 5,267,708                | (541,326,149)             | (541,326,149)          | 0                     | (541,326,149)          | 0                        | 0                        |
| 2004 2 Qtr  | 5,229,758                               | 0                                    | (541,326,149)                              | 5,229,758                | (536,096,391)             | (536,096,391)          | 0                     | (536,096,391)          | 0                        | 0                        |
| 2004 3 Qtr  | 5,947,382                               | 0                                    | (536,096,391)                              | 5,947,382                | (530,149,009)             | (530,149,009)          | 0                     | (530,149,009)          | 0                        | 0                        |
| 2004 4 Qtr  | 6,554,775                               | 0                                    | (530,149,009)                              | 6,554,775                | (523,594,235)             | (523,594,235)          | 0                     | (523,594,235)          | 0                        | 0                        |
| 2005 1 Qtr  | 14,084,277                              | 0                                    | (523,594,235)                              | 14,084,277               | (509,509,958)             | (509,509,958)          | 0                     | (509,509,958)          | 0                        | 0                        |
| 2005 2 Qtr  | 14,151,520                              | 0                                    | (509,509,958)                              | 14,151,520               | (495,358,438)             | (495,358,438)          | 0                     | (495,358,438)          | 0                        | 0                        |
| 2005 3 Qtr  | 14,494,160                              | 0                                    | (495,358,438)                              | 14,494,160               | (480,864,278)             | (480,864,278)          | 0                     | (480,864,278)          | 0                        | 0                        |
| 2005 4 Qtr  | 14,643,984                              | 0                                    | (480,864,278)                              | 14,643,984               | (466,220,294)             | (466,220,294)          | 0                     | (466,220,294)          | 0                        | 0                        |
| 2006 1 Qtr  | 15,213,322                              | 0                                    | (466,220,294)                              | 15,213,322               | (451,006,972)             | (451,006,972)          | 0                     | (451,006,972)          | 0                        | 0                        |
| 2006 2 Qtr  | 15,630,651                              | 0                                    | (451,006,972)                              | 15,630,651               | (435,376,320)             | (435,376,320)          | 0                     | (435,376,320)          | 0                        | 0                        |
| 2006 3 Qtr  | 16,050,939                              | 0                                    | (435,376,320)                              | 16,050,939               | (419,325,382)             | (419,325,382)          | 0                     | (419,325,382)          | 0                        | 0                        |
| 2006 4 Qtr  | 16,474,207                              | 0                                    | (419,325,382)                              | 16,474,207               | (402,851,174)             | (402,851,174)          | 0                     | (402,851,174)          | 0                        | 0                        |
| 2007 1 Qtr  | 35,044,223                              | 0                                    | (402,851,174)                              | 35,044,223               | (367,806,951)             | (367,806,951)          | 0                     | (367,806,951)          | 0                        | 0                        |
| 2007 2 Qtr  | 35,464,587                              | 0                                    | (367,806,951)                              | 35,464,587               | (332,342,365)             | (332,342,365)          | 0                     | (332,342,365)          | 0                        | 0                        |
| 2007 3 Qtr  | 35,887,744                              | 0                                    | (332,342,365)                              | 35,887,744               | (296,454,621)             | (296,454,621)          | 0                     | (296,454,621)          | 0                        | 0                        |
| 2007 4 Qtr  | 36,313,714                              | 0                                    | (296,454,621)                              | 36,313,714               | (260,140,907)             | (260,140,907)          | 0                     | (260,140,907)          | 0                        | 0                        |
| 2008 1 Qtr  | 47,679,457                              | 0                                    | (260,140,907)                              | 47,679,457               | (212,461,450)             | (212,461,450)          | 0                     | (212,461,450)          | 0                        | 0                        |
| 2008 2 Qtr  | 48,094,548                              | 0                                    | (212,461,450)                              | 48,094,548               | (164,366,902)             | (164,366,902)          | 0                     | (164,366,902)          | 0                        | 0                        |
| 2008 3 Qtr  | 48,512,324                              | 0                                    | (164,366,902)                              | 48,512,324               | (115,854,578)             | (115,854,578)          | 0                     | (115,854,578)          | 0                        | 0                        |
| 2008 4 Qtr  | 48,932,801                              | 0                                    | (115,854,578)                              | 48,932,801               | (66,921,777)              | (66,921,777)           | 0                     | (66,921,777)           | 0                        | 0                        |
| 2009 1 Qtr  | 49,375,657                              | 0                                    | (66,921,777)                               | 49,375,657               | (17,546,120)              | (17,546,120)           | 0                     | (17,546,120)           | 0                        | 0                        |
| 2009 2 Qtr  | 49,815,023                              | 0                                    | (17,546,120)                               | 17,546,120               | 0                         | 0                      | 0                     | 0                      | 32,268,903               | 997,735                  |
| 2009 3 Qtr  | 50,257,376                              | 0                                    | 0                                          | 0                        | 0                         | 0                      | 0                     | 0                      | 50,257,376               | 1,553,927                |
| 2009 4 Qtr  | 50,702,740                              | 0                                    | 0                                          | 0                        | 0                         | 0                      | 0                     | 0                      | 50,702,740               | 1,567,698                |
| 2010 1 Qtr  | 51,134,410                              | 0                                    | 0                                          | 0                        | 0                         | 0                      | 0                     | 0                      | 51,134,410               | 1,581,045                |
| 2010 2 Qtr  | 51,575,445                              | 0                                    | 0                                          | 0                        | 0                         | 0                      | 0                     | 0                      | 51,575,445               | 1,594,681                |
| 2010 3 Qtr  | 52,019,412                              | 0                                    | 0                                          | 0                        | 0                         | 0                      | 0                     | 0                      | 52,019,412               | 1,608,409                |

TABLE J - PART 2: COMPUTATION OF STATE TAX LIABILITY - TAXABLE INCOME  
(Continued)

| Time Period | Taxable Income B/4 NOL's I&NRR 1/ | Net Operating Losses Generated 2/ | NOL's Generated Plus Carryforward 3/ | Carryforward Utilized 4/ | Carryforward Remaining 5/ | Carryback Available 6/ | Carryback Utilized 7/ | Carryback Remaining 8/ | Annual Taxable Income 9/ | Annual Tax Liability 10/ |
|-------------|-----------------------------------|-----------------------------------|--------------------------------------|--------------------------|---------------------------|------------------------|-----------------------|------------------------|--------------------------|--------------------------|
| (1)         | (2)                               | (3)                               | (4)                                  | (5)                      | (6)                       | (7)                    | (8)                   | (9)                    | (10)                     | (11)                     |
| 2010 4 Qtr  | 52,466,332                        | 0                                 | 0                                    | 0                        | 0                         | 0                      | 0                     | 0                      | 52,466,332               | 1,622,227                |
| 2011 1 Qtr  | 52,950,778                        | 0                                 | 0                                    | 0                        | 0                         | 0                      | 0                     | 0                      | 52,950,778               | 1,637,206                |
| 2011 2 Qtr  | 53,432,085                        | 0                                 | 0                                    | 0                        | 0                         | 0                      | 0                     | 0                      | 53,432,085               | 1,652,088                |
| 2011 3 Qtr  | 53,916,734                        | 0                                 | 0                                    | 0                        | 0                         | 0                      | 0                     | 0                      | 53,916,734               | 1,667,073                |
| 2011 4 Qtr  | 54,404,749                        | 0                                 | 0                                    | 0                        | 0                         | 0                      | 0                     | 0                      | 54,404,749               | 1,682,162                |
| 2012 1 Qtr  | 54,871,730                        | 0                                 | 0                                    | 0                        | 0                         | 0                      | 0                     | 0                      | 54,871,730               | 1,696,600                |
| 2012 2 Qtr  | 55,348,369                        | 0                                 | 0                                    | 0                        | 0                         | 0                      | 0                     | 0                      | 55,348,369               | 1,711,338                |
| 2012 3 Qtr  | 55,828,235                        | 0                                 | 0                                    | 0                        | 0                         | 0                      | 0                     | 0                      | 55,828,235               | 1,726,175                |
| 2012 4 Qtr  | 56,311,352                        | 0                                 | 0                                    | 0                        | 0                         | 0                      | 0                     | 0                      | 56,311,352               | 1,741,113                |
| 2013 1 Qtr  | 56,829,812                        | 0                                 | 0                                    | 0                        | 0                         | 0                      | 0                     | 0                      | 56,829,812               | 1,757,143                |
| 2013 2 Qtr  | 57,345,400                        | 0                                 | 0                                    | 0                        | 0                         | 0                      | 0                     | 0                      | 57,345,400               | 1,773,085                |
| 2013 3 Qtr  | 57,864,600                        | 0                                 | 0                                    | 0                        | 0                         | 0                      | 0                     | 0                      | 57,864,600               | 1,789,138                |
| 2013 4 Qtr  | 58,387,440                        | 0                                 | 0                                    | 0                        | 0                         | 0                      | 0                     | 0                      | 58,387,440               | 1,805,304                |
| 2014 1 Qtr  | 58,907,491                        | 0                                 | 0                                    | 0                        | 0                         | 0                      | 0                     | 0                      | 58,907,491               | 1,821,384                |
| 2014 2 Qtr  | 59,437,893                        | 0                                 | 0                                    | 0                        | 0                         | 0                      | 0                     | 0                      | 59,437,893               | 1,837,777                |
| 2014 3 Qtr  | 59,971,619                        | 0                                 | 0                                    | 0                        | 0                         | 0                      | 0                     | 0                      | 59,971,619               | 1,854,286                |
| 2014 4 Qtr  | 60,509,296                        | 0                                 | 0                                    | 0                        | 0                         | 0                      | 0                     | 0                      | 60,509,296               | 1,870,911                |
| 2015 1 Qtr  | 63,439,495                        | 0                                 | 0                                    | 0                        | 0                         | 0                      | 0                     | 0                      | 63,439,495               | 1,961,511                |
| 2015 2 Qtr  | 63,984,762                        | 0                                 | 0                                    | 0                        | 0                         | 0                      | 0                     | 0                      | 63,984,762               | 1,978,370                |
| 2015 3 Qtr  | 64,533,867                        | 0                                 | 0                                    | 0                        | 0                         | 0                      | 0                     | 0                      | 64,533,867               | 1,995,348                |
| 2015 4 Qtr  | 65,086,839                        | 0                                 | 0                                    | 0                        | 0                         | 0                      | 0                     | 0                      | 65,086,839               | 2,012,445                |
| 2016 1 Qtr  | 67,070,498                        | 0                                 | 0                                    | 0                        | 0                         | 0                      | 0                     | 0                      | 67,070,498               | 2,073,779                |
| 2016 2 Qtr  | 67,631,295                        | 0                                 | 0                                    | 0                        | 0                         | 0                      | 0                     | 0                      | 67,631,295               | 2,091,118                |
| 2016 3 Qtr  | 68,196,050                        | 0                                 | 0                                    | 0                        | 0                         | 0                      | 0                     | 0                      | 68,196,050               | 2,108,580                |
| 2016 4 Qtr  | 68,764,792                        | 0                                 | 0                                    | 0                        | 0                         | 0                      | 0                     | 0                      | 68,764,792               | 2,126,165                |
| 2017 1 Qtr  | 69,337,552                        | 0                                 | 0                                    | 0                        | 0                         | 0                      | 0                     | 0                      | 69,337,552               | 2,143,875                |
| 2017 2 Qtr  | 69,914,361                        | 0                                 | 0                                    | 0                        | 0                         | 0                      | 0                     | 0                      | 69,914,361               | 2,161,709                |
| 2017 3 Qtr  | 70,495,251                        | 0                                 | 0                                    | 0                        | 0                         | 0                      | 0                     | 0                      | 70,495,251               | 2,179,670                |
| 2017 4 Qtr  | 71,080,252                        | 0                                 | 0                                    | 0                        | 0                         | 0                      | 0                     | 0                      | 71,080,252               | 2,197,758                |
| 2018 1 Qtr  | 71,669,396                        | 0                                 | 0                                    | 0                        | 0                         | 0                      | 0                     | 0                      | 71,669,396               | 2,215,974                |
| 2018 2 Qtr  | 72,262,716                        | 0                                 | 0                                    | 0                        | 0                         | 0                      | 0                     | 0                      | 72,262,716               | 2,234,319                |
| 2018 3 Qtr  | 72,860,243                        | 0                                 | 0                                    | 0                        | 0                         | 0                      | 0                     | 0                      | 72,860,243               | 2,252,794                |
| 2018 4 Qtr  | 73,462,010                        | 0                                 | 0                                    | 0                        | 0                         | 0                      | 0                     | 0                      | 73,462,010               | 2,271,401                |
| 2019 1 Qtr  | 74,068,050                        | 0                                 | 0                                    | 0                        | 0                         | 0                      | 0                     | 0                      | 74,068,050               | 2,290,139                |
| 2019 2 Qtr  | 74,678,395                        | 0                                 | 0                                    | 0                        | 0                         | 0                      | 0                     | 0                      | 74,678,395               | 2,309,010                |
| 2019 3 Qtr  | 75,293,080                        | 0                                 | 0                                    | 0                        | 0                         | 0                      | 0                     | 0                      | 75,293,080               | 2,328,016                |
| 2019 4 Qtr  | 75,912,137                        | 0                                 | 0                                    | 0                        | 0                         | 0                      | 0                     | 0                      | 75,912,137               | 2,347,157                |
| 2020 1 Qtr  | 76,535,600                        | 0                                 | 0                                    | 0                        | 0                         | 0                      | 0                     | 0                      | 76,535,600               | 2,366,434                |
| 2020 2 Qtr  | 77,163,505                        | 0                                 | 0                                    | 0                        | 0                         | 0                      | 0                     | 0                      | 77,163,505               | 2,385,849                |
| 2020 3 Qtr  | 77,795,884                        | 0                                 | 0                                    | 0                        | 0                         | 0                      | 0                     | 0                      | 77,795,884               | 2,405,401                |
| 2020 4 Qtr  | 78,432,774                        | 0                                 | 0                                    | 0                        | 0                         | 0                      | 0                     | 0                      | 78,432,774               | 2,425,094                |
| Future      | 3,410,660,616                     | 0                                 | 0                                    | 0                        | 0                         | 0                      | 0                     | 0                      | 3,410,660,616            | 105,455,549              |

1/ Table I, Column (3) - Table E, Columns (6), (12) & (18) - Table G, Column (14) / 4.  
Values for 1998-2000 from Table D, Sum of Column (10).

2/ Column (2) if less than zero, otherwise zero.

3/ Cumulative total of Column (2).

4/ If Column (2) is greater than zero, and (Column (2) + Column (4) is less than zero, then Column (2), otherwise Column (4).

5/ Column (4) + Column (5) + Column (8).

6/ Previous period Column (9) + current period Column (3) - current period Column (5).

7/ If previous Column (10) is greater than zero, and previous Column (10) is less than current Column (7), then previous Column (10), otherwise zero.

8/ Column (7) + Column (8).

9/ If Column (7) is greater than zero, then Column (2) - Column (5) - Column (8), otherwise zero.

10/ Column (10) times applicable route mile weighted State Statutory Tax Rates.

**TABLE K. INRR OPERATING EXPENSES**

| Item<br>(1)                       | 2000<br>(2)       | 2001<br>(3)       | 2002<br>(4)       | 2003<br>(5)       | 2004<br>(7)       | 2005<br>(8)       | 2006<br>(9)       | 2007<br>(10)      | 2008<br>(11)      | 2009<br>(12)      |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 1. Train & Engine Personnel       | \$41,831,156      | \$44,285,992      | \$43,557,775      | \$44,710,396      | \$47,429,310      | \$46,617,978      | \$47,066,748      | \$47,778,197      | \$48,346,746      | \$48,943,463      |
| 2. Locomotive Lease Expense       | \$30,094,047      | \$31,860,098      | \$31,336,206      | \$32,165,421      | \$34,121,455      | \$33,537,768      | \$33,860,621      | \$34,372,450      | \$34,781,474      | \$35,210,762      |
| 3. Locomotive Maintenance Expense | \$24,877,581      | \$26,337,507      | \$25,904,426      | \$26,589,906      | \$28,206,883      | \$27,724,372      | \$27,991,262      | \$28,414,371      | \$28,752,495      | \$29,107,371      |
| 4. Locomotive Operating Expense   | \$85,732,988      | \$90,764,176      | \$89,271,694      | \$91,633,992      | \$97,206,410      | \$95,543,583      | \$96,463,338      | \$97,921,454      | \$99,086,694      | \$100,309,666     |
| 5. Railcar Lease Expense          | \$9,715,218       | \$10,285,349      | \$10,116,222      | \$10,383,916      | \$11,015,380      | \$10,826,949      | \$10,931,175      | \$11,096,408      | \$11,228,453      | \$11,367,039      |
| 6. Material & Supply Operating    | \$1,151,124       | \$1,151,124       | \$1,151,124       | \$1,151,124       | \$1,151,124       | \$1,151,124       | \$1,151,124       | \$1,151,124       | \$1,151,124       | \$1,151,124       |
| 7. Ad Valorem Tax                 | \$6,127,347       | \$6,127,347       | \$6,127,347       | \$6,127,347       | \$6,127,347       | \$6,127,347       | \$6,127,347       | \$6,127,347       | \$6,127,347       | \$6,127,347       |
| 8. Joint Facility                 | \$4,130,606       | \$4,130,606       | \$4,130,606       | \$4,130,606       | \$4,130,606       | \$4,130,606       | \$4,130,606       | \$4,130,606       | \$4,130,606       | \$4,130,606       |
| 9. Operating Managers             | \$11,950,039      | \$11,950,039      | \$11,950,039      | \$11,950,039      | \$11,950,039      | \$11,950,039      | \$11,950,039      | \$11,950,039      | \$11,950,039      | \$11,950,039      |
| 10. General & Administration      | \$12,942,007      | \$12,942,007      | \$12,942,007      | \$12,942,007      | \$12,942,007      | \$12,942,007      | \$12,942,007      | \$12,942,007      | \$12,942,007      | \$12,942,007      |
| 11. Loss and Damage               | \$833,799         | \$882,730         | \$868,215         | \$891,190         | \$945,384         | \$929,213         | \$938,158         | \$952,339         | \$963,671         | \$975,585         |
| 12. Insurance                     | 7,558,478         | 7,891,376         | 7,792,623         | 7,948,929         | 8,317,638         | 8,207,614         | 8,268,471         | 8,364,950         | 8,442,051         | 8,522,971         |
| 13. Maintenance of Way            | <u>27,886,966</u> | <u>27,886,966</u> | <u>27,886,966</u> | <u>27,886,966</u> | <u>27,886,966</u> | <u>27,886,966</u> | <u>27,886,966</u> | <u>27,886,966</u> | <u>27,886,966</u> | <u>27,886,966</u> |
| 14. Total Operating Expenses      | \$264,831,356     | \$276,495,317     | \$273,035,251     | \$278,511,840     | \$291,430,651     | \$287,575,567     | \$289,707,863     | \$293,088,259     | \$295,789,673     | \$298,624,927     |
| 15. Expense Per Quarter           | \$66,207,839      | \$69,123,829      | \$68,258,813      | \$69,627,960      | \$72,857,638      | \$71,893,892      | \$72,426,966      | \$73,272,065      | \$73,947,418      | \$74,656,232      |

2.94%

**TABLE K: TNRR OPERATING EXPENSES**  
(Continued)

| Item<br>(1)                       | 2010<br>(2)   | 2011<br>(3)   | 2012<br>(4)   | 2013<br>(5)   | 2014<br>(7)   | 2015<br>(8)   | 2016<br>(9)   | 2017<br>(10)  | 2018<br>(11)  | 2019<br>(12)  | 2020<br>(13)  |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 1. Train & Engine Personnel       | \$50,061,119  | \$50,610,531  | \$50,945,975  | \$51,178,452  | \$51,399,772  | \$51,586,925  | \$51,840,909  | \$52,145,384  | \$52,324,568  | \$52,554,093  | \$52,804,176  |
| 2. Locomotive Lease Expense       | \$36,014,823  | \$36,410,080  | \$36,651,403  | \$36,818,652  | \$36,977,873  | \$37,112,514  | \$37,295,234  | \$37,514,279  | \$37,643,187  | \$37,808,311  | \$37,988,225  |
| 3. Locomotive Maintenance Expense | \$29,772,057  | \$30,098,801  | \$30,298,294  | \$30,436,551  | \$30,568,173  | \$30,679,476  | \$30,830,524  | \$31,011,599  | \$31,118,163  | \$31,254,665  | \$31,403,392  |
| 4. Locomotive Operating Expense   | \$102,600,304 | \$103,726,325 | \$104,413,817 | \$104,890,280 | \$105,343,874 | \$105,727,445 | \$106,247,986 | \$106,872,007 | \$107,239,245 | \$107,709,657 | \$108,222,201 |
| 5. Railcar Lease Expense          | \$11,626,613  | \$11,754,213  | \$11,832,119  | \$11,886,112  | \$11,937,513  | \$11,980,979  | \$12,039,967  | \$12,110,680  | \$12,152,295  | \$12,205,602  | \$12,263,684  |
| 6. Material & Supply Operating    | \$1,151,124   | \$1,151,124   | \$1,151,124   | \$1,151,124   | \$1,151,124   | \$1,151,124   | \$1,151,124   | \$1,151,124   | \$1,151,124   | \$1,151,124   | \$1,151,124   |
| 7. Ad Valorem Tax                 | \$6,127,347   | \$6,127,347   | \$6,127,347   | \$6,127,347   | \$6,127,347   | \$6,127,347   | \$6,127,347   | \$6,127,347   | \$6,127,347   | \$6,127,347   | \$6,127,347   |
| 8. Joint Facility                 | \$4,130,606   | \$4,130,606   | \$4,130,606   | \$4,130,606   | \$4,130,606   | \$4,130,606   | \$4,130,606   | \$4,130,606   | \$4,130,606   | \$4,130,606   | \$4,130,606   |
| 9. Operating Managers             | \$11,950,039  | \$11,950,039  | \$11,950,039  | \$11,950,039  | \$11,950,039  | \$11,950,039  | \$11,950,039  | \$11,950,039  | \$11,950,039  | \$11,950,039  | \$11,950,039  |
| 10. General & Administration      | \$12,942,007  | \$12,942,007  | \$12,942,007  | \$12,942,007  | \$12,942,007  | \$12,942,007  | \$12,942,007  | \$12,942,007  | \$12,942,007  | \$12,942,007  | \$12,942,007  |
| 11. Loss and Damage               | \$997,843     | \$1,008,794   | \$1,015,480   | \$1,020,114   | \$1,024,526   | \$1,028,256   | \$1,033,319   | \$1,039,387   | \$1,042,959   | \$1,047,534   | \$1,052,519   |
| 12. Insurance                     | 8,674,535     | 8,749,040     | 8,794,530     | 8,826,056     | 8,856,069     | 8,881,448     | 8,915,891     | 8,957,180     | 8,981,479     | 9,012,605     | 9,046,518     |
| 13. Maintenance of Way            | 27,886,966    | 27,886,966    | 27,886,966    | 27,886,966    | 27,886,966    | 27,886,966    | 27,886,966    | 27,886,966    | 27,886,966    | 27,886,966    | 27,886,966    |
| 14. Total Operating Expenses      | \$303,935,384 | \$306,545,874 | \$308,139,708 | \$309,244,307 | \$310,295,888 | \$311,185,133 | \$312,391,919 | \$313,838,606 | \$314,689,985 | \$315,780,557 | \$316,968,805 |
| 15. Expense Per Quarter           | \$75,983,846  | \$76,636,469  | \$77,034,927  | \$77,311,077  | \$77,573,972  | \$77,796,283  | \$78,097,980  | \$78,459,651  | \$78,672,496  | \$78,945,139  | \$79,242,201  |

**TABLE K: TNR OPERATING EXPENSES, INDEXED**  
(Continued)

| Period<br>(1) | Quarter<br>(2)     | Rail<br>Cost<br>Adjustment<br>Factor<br>Index 1/<br>(3) | Operating<br>Expense<br>Indexed<br>For<br>Inflation 2/<br>(4) | Period<br>(5) | Quarter<br>(6) | Rail<br>Cost<br>Adjustment<br>Factor<br>Index 1/<br>(7) | Operating<br>Expense<br>Indexed<br>For<br>Inflation 2/<br>(8) | Period<br>(9) | Quarter<br>(10) | Rail<br>Cost<br>Adjustment<br>Factor<br>Index 1/<br>(11) | Operating<br>Expense<br>Indexed<br>For<br>Inflation 2/<br>(12) |
|---------------|--------------------|---------------------------------------------------------|---------------------------------------------------------------|---------------|----------------|---------------------------------------------------------|---------------------------------------------------------------|---------------|-----------------|----------------------------------------------------------|----------------------------------------------------------------|
| NA            | 1999 3 Qtr         | 0.000                                                   | NA                                                            | 27            | 2006 4 Qtr     | 0.527                                                   | 73,970,951                                                    | 56            | 2014 1 Qtr      | 0.586                                                    | 88,097,573                                                     |
| NA            | 1999 4 Qtr         | 0.000                                                   | NA                                                            | 28            | 2007 1 Qtr     | 0.537                                                   | 76,254,067                                                    | 57            | 2014 2 Qtr      | 0.585                                                    | 87,947,236                                                     |
| NA            | 2000 1 Qtr         | 0.000                                                   | NA                                                            | 29            | 2007 2 Qtr     | 0.536                                                   | 76,112,067                                                    | 58            | 2014 3 Qtr      | 0.583                                                    | 87,646,561                                                     |
| 1             | June 16 - 30, 2000 | 0.516                                                   | \$10,913,380                                                  | 30            | 2007 3 Qtr     | 0.535                                                   | 75,970,067                                                    | 59            | 2014 4 Qtr      | 0.582                                                    | 87,496,224                                                     |
| 2             | 2000 3 Qtr         | 0.514                                                   | 65,951,219                                                    | 31            | 2007 4 Qtr     | 0.533                                                   | 75,686,067                                                    | 60            | 2015 1 Qtr      | 0.595                                                    | 89,706,954                                                     |
| 3             | 2000 4 Qtr         | 0.517                                                   | 66,336,149                                                    | 32            | 2008 1 Qtr     | 0.544                                                   | 77,960,069                                                    | 61            | 2015 2 Qtr      | 0.593                                                    | 89,405,418                                                     |
| 4             | 2001 1 Qtr         | 0.526                                                   | 70,463,438                                                    | 33            | 2008 2 Qtr     | 0.542                                                   | 77,673,451                                                    | 62            | 2015 3 Qtr      | 0.592                                                    | 89,254,650                                                     |
| 5             | 2001 2 Qtr         | 0.519                                                   | 69,525,712                                                    | 34            | 2008 3 Qtr     | 0.541                                                   | 77,530,142                                                    | 63            | 2015 4 Qtr      | 0.590                                                    | 88,953,115                                                     |
| 6             | 2001 3 Qtr         | 0.519                                                   | 69,525,712                                                    | 35            | 2008 4 Qtr     | 0.539                                                   | 77,243,524                                                    | 64            | 2016 1 Qtr      | 0.603                                                    | 91,265,662                                                     |
| 7             | 2001 4 Qtr         | 0.516                                                   | 69,123,829                                                    | 36            | 2009 1 Qtr     | 0.550                                                   | 79,575,441                                                    | 65            | 2016 2 Qtr      | 0.601                                                    | 90,962,957                                                     |
| 8             | 2002 1 Qtr         | 0.513                                                   | 67,861,959                                                    | 37            | 2009 2 Qtr     | 0.549                                                   | 79,430,758                                                    | 66            | 2016 3 Qtr      | 0.600                                                    | 90,811,604                                                     |
| 9             | 2002 2 Qtr         | 0.503                                                   | 66,539,114                                                    | 38            | 2009 3 Qtr     | 0.547                                                   | 79,141,393                                                    | 67            | 2016 4 Qtr      | 0.598                                                    | 90,508,899                                                     |
| 10            | 2002 3 Qtr         | 0.500                                                   | 66,142,260                                                    | 39            | 2009 4 Qtr     | 0.545                                                   | 78,852,028                                                    | 68            | 2017 1 Qtr      | 0.611                                                    | 92,904,742                                                     |
| 11            | 2002 4 Qtr         | 0.519                                                   | 68,655,666                                                    | 40            | 2010 1 Qtr     | 0.556                                                   | 81,874,067                                                    | 69            | 2017 2 Qtr      | 0.610                                                    | 92,752,689                                                     |
| 12            | 2003 1 Qtr         | 0.514                                                   | 69,358,084                                                    | 41            | 2010 2 Qtr     | 0.555                                                   | 81,726,811                                                    | 70            | 2017 3 Qtr      | 0.608                                                    | 92,448,581                                                     |
| 13            | 2003 2 Qtr         | 0.522                                                   | 70,437,588                                                    | 42            | 2010 3 Qtr     | 0.553                                                   | 81,432,300                                                    | 71            | 2017 4 Qtr      | 0.606                                                    | 92,144,474                                                     |
| 14            | 2003 3 Qtr         | 0.523                                                   | 70,572,525                                                    | 43            | 2010 4 Qtr     | 0.552                                                   | 81,285,045                                                    | 72            | 2018 1 Qtr      | 0.620                                                    | 94,528,968                                                     |
| 15            | 2003 4 Qtr         | 0.520                                                   | 70,167,712                                                    | 44            | 2011 1 Qtr     | 0.564                                                   | 83,765,442                                                    | 73            | 2018 2 Qtr      | 0.618                                                    | 94,224,036                                                     |
| 16            | 2004 1 Qtr         | 0.519                                                   | 73,281,229                                                    | 45            | 2011 2 Qtr     | 0.562                                                   | 83,468,402                                                    | 74            | 2018 3 Qtr      | 0.616                                                    | 93,919,104                                                     |
| 17            | 2004 2 Qtr         | 0.517                                                   | 72,998,835                                                    | 46            | 2011 3 Qtr     | 0.561                                                   | 83,319,882                                                    | 75            | 2018 4 Qtr      | 0.615                                                    | 93,766,638                                                     |
| 18            | 2004 3 Qtr         | 0.522                                                   | 73,704,820                                                    | 47            | 2011 4 Qtr     | 0.559                                                   | 83,022,841                                                    | 76            | 2019 1 Qtr      | 0.629                                                    | 96,233,513                                                     |
| 19            | 2004 4 Qtr         | 0.527                                                   | 74,410,804                                                    | 48            | 2012 1 Qtr     | 0.571                                                   | 85,246,014                                                    | 77            | 2019 2 Qtr      | 0.627                                                    | 95,927,524                                                     |
| 20            | 2005 1 Qtr         | 0.526                                                   | 73,287,184                                                    | 49            | 2012 2 Qtr     | 0.569                                                   | 84,947,429                                                    | 78            | 2019 3 Qtr      | 0.625                                                    | 95,621,535                                                     |
| 21            | 2005 2 Qtr         | 0.525                                                   | 73,147,855                                                    | 50            | 2012 3 Qtr     | 0.567                                                   | 84,648,844                                                    | 79            | 2019 4 Qtr      | 0.623                                                    | 95,315,546                                                     |
| 22            | 2005 3 Qtr         | 0.526                                                   | 73,267,184                                                    | 51            | 2012 4 Qtr     | 0.566                                                   | 84,499,552                                                    | 80            | 2020 1 Qtr      | 0.637                                                    | 97,824,190                                                     |
| 23            | 2005 4 Qtr         | 0.529                                                   | 73,705,172                                                    | 52            | 2013 1 Qtr     | 0.578                                                   | 86,600,392                                                    | 81            | 2020 2 Qtr      | 0.636                                                    | 97,670,620                                                     |
| 24            | 2006 1 Qtr         | 0.534                                                   | 74,953,488                                                    | 53            | 2013 2 Qtr     | 0.577                                                   | 86,450,565                                                    | 82            | 2020 3 Qtr      | 0.634                                                    | 97,363,480                                                     |
| 25            | 2006 2 Qtr         | 0.531                                                   | 74,532,401                                                    | 54            | 2013 3 Qtr     | 0.575                                                   | 86,150,909                                                    | 83            | 2020 4 Qtr      | 0.632                                                    | 97,056,339                                                     |
| 26            | 2006 3 Qtr         | 0.529                                                   | 74,251,676                                                    | 55            | 2013 4 Qtr     | 0.573                                                   | 85,851,254                                                    |               |                 |                                                          |                                                                |

1/ 2Q00 equals 51.6, all other quarters equal Quarterly Inflation Indexes for the RCAF-EIA from Table B).

2/ (Quarterly expense from Table K, Pages 24 and 25, for the applicable time period x Column (3), Column (7) or Column (11) + 2Q00.

**TABLE I: TIRR CALCULATED CASH FLOW**

Quarterly Revenue Requirements to Cover Total Stand-Alone

| Period<br>(1) | Quarter<br>(2)   | Quarterly<br>Capital<br>Requirement<br>Road Property<br>(3) | Quarterly<br>Operating<br>Expense<br>(4) | Annual<br>Stand-Alone<br>Requirement<br>(5) | Quarterly<br>Stand-Alone<br>Revenues<br>(6) | Annual<br>Stand-Alone<br>Revenues<br>(7) | Overpayments<br>Or<br>Shortfalls<br>In Revenues<br>(8) | Reduction<br>In Rates<br>(9) | Rate<br>Charged<br>(10) | SAC Rate<br>Based on<br>Equalized<br>% Reduction<br>(11) | SAC Rate<br>Based on<br>Generalized<br>% Reduction<br>(12) |
|---------------|------------------|-------------------------------------------------------------|------------------------------------------|---------------------------------------------|---------------------------------------------|------------------------------------------|--------------------------------------------------------|------------------------------|-------------------------|----------------------------------------------------------|------------------------------------------------------------|
| 1             | June 16-30, 2000 | \$10,494,951                                                | \$10,913,380                             | \$21,408,332                                | \$30,711,753                                |                                          | \$9,303,421                                            | 30.29%                       | \$15.33                 | \$10.69                                                  | \$10.59                                                    |
| 2             | 2000 3 Qtr       | 64,407,968                                                  | 65,951,219                               | 130,359,177                                 | 188,385,418                                 |                                          | 58,006,241                                             | 30.79%                       | 15.33                   | 10.61                                                    | 10.27                                                      |
| 3             | 2000 4 Qtr       | 64,491,935                                                  | 66,336,149                               | 130,828,084                                 | 188,385,418                                 | \$407,442,589                            | 57,537,334                                             | 30.55%                       | 15.33                   | 10.65                                                    | 10.27                                                      |
| 4             | 2001 1 Qtr       | 65,502,960                                                  | 70,463,438                               | 135,966,398                                 | 191,828,194                                 |                                          | 55,861,796                                             | 29.12%                       | 15.59                   | 11.05                                                    | 10.89                                                      |
| 5             | 2001 2 Qtr       | 66,174,459                                                  | 69,525,712                               | 135,700,171                                 | 191,828,194                                 |                                          | 56,128,023                                             | 29.26%                       | 15.59                   | 11.03                                                    | 10.89                                                      |
| 6             | 2001 3 Qtr       | 66,564,397                                                  | 69,525,712                               | 136,090,109                                 | 191,828,194                                 |                                          | 56,738,085                                             | 29.06%                       | 15.59                   | 11.06                                                    | 10.89                                                      |
| 7             | 2001 4 Qtr       | 66,591,224                                                  | 69,123,829                               | 135,715,063                                 | 191,828,194                                 | 767,312,777                              | 56,113,141                                             | 29.25%                       | 15.59                   | 11.03                                                    | 10.89                                                      |
| 8             | 2002 1 Qtr       | 61,966,169                                                  | 67,861,959                               | 129,828,128                                 | 193,050,377                                 |                                          | 63,222,249                                             | 32.75%                       | 15.36                   | 10.33                                                    | 10.23                                                      |
| 9             | 2002 2 Qtr       | 61,872,181                                                  | 66,539,114                               | 128,411,295                                 | 193,050,377                                 |                                          | 64,639,082                                             | 33.48%                       | 15.36                   | 10.22                                                    | 9.50                                                       |
| 10            | 2002 3 Qtr       | 61,550,564                                                  | 66,142,260                               | 127,692,824                                 | 193,050,377                                 |                                          | 65,357,553                                             | 33.86%                       | 15.36                   | 10.16                                                    | 9.50                                                       |
| 11            | 2002 4 Qtr       | 60,744,021                                                  | 68,655,666                               | 129,399,687                                 | 193,050,377                                 | 772,201,509                              | 63,650,690                                             | 32.97%                       | 15.36                   | 10.30                                                    | 10.23                                                      |
| 12            | 2003 1 Qtr       | 60,866,833                                                  | 69,358,084                               | 130,224,917                                 | 196,024,194                                 |                                          | 65,799,277                                             | 33.57%                       | 16.49                   | 10.95                                                    | 9.70                                                       |
| 13            | 2003 2 Qtr       | 63,231,965                                                  | 70,437,568                               | 133,669,572                                 | 196,024,194                                 |                                          | 62,354,621                                             | 31.81%                       | 16.49                   | 11.24                                                    | 9.70                                                       |
| 14            | 2003 3 Qtr       | 63,466,921                                                  | 70,572,525                               | 134,039,446                                 | 196,024,194                                 |                                          | 61,984,748                                             | 31.62%                       | 16.49                   | 11.28                                                    | 9.70                                                       |
| 15            | 2003 4 Qtr       | 63,818,486                                                  | 70,167,712                               | 133,966,197                                 | 196,024,194                                 | 784,096,775                              | 62,037,966                                             | 31.65%                       | 16.49                   | 11.27                                                    | 9.70                                                       |
| 16            | 2004 1 Qtr       | 64,049,708                                                  | 73,281,229                               |                                             | 210,209,209                                 |                                          |                                                        |                              |                         |                                                          |                                                            |
| 17            | 2004 2 Qtr       | 63,999,609                                                  | 72,998,835                               |                                             | 210,209,209                                 |                                          |                                                        |                              |                         |                                                          |                                                            |
| 18            | 2004 3 Qtr       | 64,704,906                                                  | 73,704,820                               |                                             | 210,209,209                                 |                                          |                                                        |                              |                         |                                                          |                                                            |
| 19            | 2004 4 Qtr       | 65,299,791                                                  | 74,410,804                               | 552,449,701                                 | 210,209,209                                 | 840,836,834                              | 288,387,133                                            | 34.30%                       | \$18.83                 | \$12.37                                                  | \$9.68                                                     |
| 20            | 2005 1 Qtr       | 65,538,714                                                  | 73,287,184                               |                                             | 207,669,080                                 |                                          |                                                        |                              |                         |                                                          |                                                            |
| 21            | 2005 2 Qtr       | 65,593,079                                                  | 73,147,555                               |                                             | 207,669,080                                 |                                          |                                                        |                              |                         |                                                          |                                                            |
| 22            | 2005 3 Qtr       | 65,922,652                                                  | 73,287,184                               |                                             | 207,669,080                                 |                                          |                                                        |                              |                         |                                                          |                                                            |
| 23            | 2005 4 Qtr       | 66,059,218                                                  | 73,705,172                               | 556,541,058                                 | 207,669,080                                 | 830,676,319                              | 274,135,261                                            | 33.00%                       | \$18.83                 | \$12.62                                                  | \$9.91                                                     |
| 24            | 2006 1 Qtr       | 66,460,158                                                  | 74,953,488                               |                                             | 212,758,120                                 |                                          |                                                        |                              |                         |                                                          |                                                            |
| 25            | 2006 2 Qtr       | 66,863,637                                                  | 74,532,401                               |                                             | 212,758,120                                 |                                          |                                                        |                              |                         |                                                          |                                                            |
| 26            | 2006 3 Qtr       | 67,270,274                                                  | 74,251,676                               |                                             | 212,758,120                                 |                                          |                                                        |                              |                         |                                                          |                                                            |
| 27            | 2006 4 Qtr       | 67,679,488                                                  | 73,970,951                               | 565,982,273                                 | 212,758,120                                 | 851,032,481                              | 285,050,208                                            | 33.49%                       | \$18.83                 | \$12.52                                                  | \$9.98                                                     |
| 28            | 2007 1 Qtr       | 68,082,819                                                  | 76,254,067                               |                                             | 219,654,487                                 |                                          |                                                        |                              |                         |                                                          |                                                            |
| 29            | 2007 2 Qtr       | 68,488,714                                                  | 76,112,067                               |                                             | 219,654,487                                 |                                          |                                                        |                              |                         |                                                          |                                                            |
| 30            | 2007 3 Qtr       | 68,697,189                                                  | 75,970,067                               |                                             | 219,654,487                                 |                                          |                                                        |                              |                         |                                                          |                                                            |
| 31            | 2007 4 Qtr       | 69,308,262                                                  | 75,686,067                               | 578,799,252                                 | 219,654,487                                 | 878,617,948                              | 299,818,696                                            | 34.12%                       | \$18.83                 | \$12.40                                                  | \$9.57                                                     |
| 32            | 2008 1 Qtr       | 69,705,574                                                  | 77,960,069                               |                                             | 229,031,630                                 |                                          |                                                        |                              |                         |                                                          |                                                            |
| 33            | 2008 2 Qtr       | 70,105,328                                                  | 77,673,451                               |                                             | 229,031,630                                 |                                          |                                                        |                              |                         |                                                          |                                                            |
| 34            | 2008 3 Qtr       | 70,507,540                                                  | 77,530,142                               | 591,637,855                                 | 229,031,630                                 | 916,126,519                              | 324,488,664                                            | 35.42%                       | \$18.83                 | \$12.16                                                  | \$9.67                                                     |
| 35            | 2008 4 Qtr       | 70,912,227                                                  | 77,243,524                               |                                             | 234,796,719                                 |                                          |                                                        |                              |                         |                                                          |                                                            |
| 36            | 2009 1 Qtr       | 71,332,604                                                  | 79,575,441                               |                                             | 234,796,719                                 |                                          |                                                        |                              |                         |                                                          |                                                            |
| 37            | 2009 2 Qtr       | 71,755,712                                                  | 79,430,758                               |                                             | 234,796,719                                 |                                          |                                                        |                              |                         |                                                          |                                                            |
| 38            | 2009 3 Qtr       | 72,181,569                                                  | 79,141,393                               |                                             | 234,796,719                                 |                                          |                                                        |                              |                         |                                                          |                                                            |
| 39            | 2009 4 Qtr       | 72,610,195                                                  | 78,852,028                               | 604,879,701                                 | 234,796,719                                 | 939,166,677                              | 334,307,177                                            | 35.60%                       | \$18.83                 | \$12.13                                                  | \$9.78                                                     |
| 40            | 2010 1 Qtr       | 73,031,336                                                  | 81,874,067                               |                                             | 242,477,518                                 |                                          |                                                        |                              |                         |                                                          |                                                            |

**TABLE L: TNRR CALCULATED CASH FLOW**  
(Continued)

| Period | Quarter    | Quarterly<br>Capital<br>Requirement | Quarterly<br>Operating<br>Expense | Annual<br>Stand-Alone<br>Requirement | Quarterly<br>Stand-Alone<br>Revenues | Annual<br>Stand-Alone<br>Revenues | Overpayments<br>Or<br>Shortfalls<br>In Revenues | Reduction<br>In Rates | Rate<br>Charged | SAC Rate<br>Based on<br>Equalized<br>% Reduction | SAC Rate<br>Generalized<br>% Reduction |
|--------|------------|-------------------------------------|-----------------------------------|--------------------------------------|--------------------------------------|-----------------------------------|-------------------------------------------------|-----------------------|-----------------|--------------------------------------------------|----------------------------------------|
| (1)    | (2)        | (3)                                 | (4)                               | (5)                                  | (6)                                  | (7)                               | (8)                                             | (9)                   | (10)            | (11)                                             | (12)                                   |
| 41     | 2010 2 Qtr | \$73,455,139                        | \$81,726,811                      |                                      | 242,477,518                          |                                   |                                                 |                       |                 |                                                  |                                        |
| 42     | 2010 3 Qtr | 73,881,619                          | 81,432,300                        |                                      | 242,477,518                          |                                   |                                                 |                       |                 |                                                  |                                        |
| 43     | 2010 4 Qtr | 74,310,796                          | 81,285,045                        | 620,997,114                          | 242,477,518                          | 969,910,072                       | 348,912,958                                     | 35.97%                | \$18.83         | \$12.06                                          | \$9.93                                 |
| 44     | 2011 1 Qtr | 74,770,784                          | 83,765,442                        |                                      | 247,633,349                          |                                   |                                                 |                       |                 |                                                  |                                        |
| 45     | 2011 2 Qtr | 75,233,824                          | 83,488,402                        |                                      | 247,633,349                          |                                   |                                                 |                       |                 |                                                  |                                        |
| 46     | 2011 3 Qtr | 75,699,937                          | 83,319,882                        |                                      | 247,633,349                          |                                   |                                                 |                       |                 |                                                  |                                        |
| 47     | 2011 4 Qtr | 76,169,145                          | 83,022,841                        | 635,450,256                          | 247,633,349                          | 990,533,397                       | 355,083,141                                     | 35.85%                | \$18.83         | \$12.08                                          | \$10.02                                |
| 48     | 2012 1 Qtr | 76,623,498                          | 85,246,014                        |                                      | 252,340,385                          |                                   |                                                 |                       |                 |                                                  |                                        |
| 49     | 2012 2 Qtr | 77,080,775                          | 84,947,429                        |                                      | 252,340,385                          |                                   |                                                 |                       |                 |                                                  |                                        |
| 50     | 2012 3 Qtr | 77,540,993                          | 84,648,844                        |                                      | 252,340,385                          |                                   |                                                 |                       |                 |                                                  |                                        |
| 51     | 2012 4 Qtr | 78,004,174                          | 84,499,552                        | 648,591,280                          | 252,340,385                          | 1,009,361,539                     | 360,770,259                                     | 35.74%                | \$18.83         | \$12.10                                          | \$10.14                                |
| 52     | 2013 1 Qtr | 78,496,950                          | 86,600,392                        |                                      | 257,003,734                          |                                   |                                                 |                       |                 |                                                  |                                        |
| 53     | 2013 2 Qtr | 78,991,013                          | 86,450,585                        |                                      | 257,003,734                          |                                   |                                                 |                       |                 |                                                  |                                        |
| 54     | 2013 3 Qtr | 79,489,387                          | 86,150,909                        |                                      | 257,003,734                          |                                   |                                                 |                       |                 |                                                  |                                        |
| 55     | 2013 4 Qtr | 79,991,095                          | 85,851,254                        | 662,020,564                          | 257,003,734                          | 1,028,014,935                     | 365,994,372                                     | 35.60%                | \$18.83         | \$12.13                                          | \$10.28                                |
| 56     | 2014 1 Qtr | 80,496,160                          | 88,097,573                        |                                      | 261,445,052                          |                                   |                                                 |                       |                 |                                                  |                                        |
| 57     | 2014 2 Qtr | 81,004,606                          | 87,947,236                        |                                      | 261,445,052                          |                                   |                                                 |                       |                 |                                                  |                                        |
| 58     | 2014 3 Qtr | 81,516,465                          | 87,646,581                        |                                      | 261,445,052                          |                                   |                                                 |                       |                 |                                                  |                                        |
| 59     | 2014 4 Qtr | 82,031,733                          | 87,496,224                        | 676,236,548                          | 261,445,052                          | 1,045,780,210                     | 369,543,662                                     | 35.34%                | \$18.83         | \$12.18                                          | \$10.96                                |
| 60     | 2015 1 Qtr | 82,550,462                          | 89,706,954                        |                                      | 265,957,887                          |                                   |                                                 |                       |                 |                                                  |                                        |
| 61     | 2015 2 Qtr | 83,072,667                          | 89,405,418                        |                                      | 265,957,887                          |                                   |                                                 |                       |                 |                                                  |                                        |
| 62     | 2015 3 Qtr | 83,596,372                          | 89,254,650                        |                                      | 265,957,887                          |                                   |                                                 |                       |                 |                                                  |                                        |
| 63     | 2015 4 Qtr | 84,127,601                          | 88,953,115                        | 690,689,240                          | 265,957,887                          | 1,063,831,547                     | 373,162,307                                     | 35.08%                | \$18.83         | \$12.22                                          | \$11.11                                |
| 64     | 2016 1 Qtr | 84,660,379                          | 91,265,662                        |                                      | 269,666,149                          |                                   |                                                 |                       |                 |                                                  |                                        |
| 65     | 2016 2 Qtr | 85,196,730                          | 90,962,957                        |                                      | 269,666,149                          |                                   |                                                 |                       |                 |                                                  |                                        |
| 66     | 2016 3 Qtr | 85,736,680                          | 90,811,604                        |                                      | 269,666,149                          |                                   |                                                 |                       |                 |                                                  |                                        |
| 67     | 2016 4 Qtr | 86,280,254                          | 90,508,899                        | 705,423,165                          | 269,666,149                          | 1,078,664,596                     | 373,241,431                                     | 34.60%                | \$18.83         | \$12.31                                          | \$11.21                                |
| 68     | 2017 1 Qtr | 86,827,476                          | 92,904,742                        |                                      | 273,742,293                          |                                   |                                                 |                       |                 |                                                  |                                        |
| 69     | 2017 2 Qtr | 87,378,373                          | 92,752,689                        |                                      | 273,742,293                          |                                   |                                                 |                       |                 |                                                  |                                        |
| 70     | 2017 3 Qtr | 87,932,970                          | 92,448,581                        |                                      | 273,742,293                          |                                   |                                                 |                       |                 |                                                  |                                        |
| 71     | 2017 4 Qtr | 88,491,293                          | 92,144,474                        | 720,880,600                          | 273,742,293                          | 1,094,969,172                     | 374,088,573                                     | 34.16%                | \$18.83         | \$12.40                                          | \$11.32                                |
| 72     | 2018 1 Qtr | 89,053,367                          | 94,528,968                        |                                      | 277,481,819                          |                                   |                                                 |                       |                 |                                                  |                                        |
| 73     | 2018 2 Qtr | 89,619,220                          | 94,224,036                        |                                      | 277,481,819                          |                                   |                                                 |                       |                 |                                                  |                                        |
| 74     | 2018 3 Qtr | 90,188,877                          | 93,919,104                        |                                      | 277,481,819                          |                                   |                                                 |                       |                 |                                                  |                                        |
| 75     | 2018 4 Qtr | 90,762,365                          | 93,766,638                        | 736,062,575                          | 277,481,819                          | 1,109,927,275                     | 373,864,699                                     | 33.66%                | \$18.83         | \$12.49                                          | \$11.71                                |
| 76     | 2019 1 Qtr | 91,339,710                          | 96,233,513                        |                                      | 281,308,041                          |                                   |                                                 |                       |                 |                                                  |                                        |
| 77     | 2019 2 Qtr | 91,920,940                          | 95,927,524                        |                                      | 281,308,041                          |                                   |                                                 |                       |                 |                                                  |                                        |
| 78     | 2019 3 Qtr | 92,506,082                          | 95,621,535                        |                                      | 281,308,041                          |                                   |                                                 |                       |                 |                                                  |                                        |
| 79     | 2019 4 Qtr | 93,095,164                          | 95,315,546                        | 751,960,014                          | 281,308,041                          | 1,125,232,165                     | 373,272,151                                     | 33.17%                | \$18.83         | \$12.58                                          | \$11.85                                |
| 80     | 2020 1 Qtr | 93,688,211                          | 97,824,190                        |                                      | 281,308,041                          |                                   |                                                 |                       |                 |                                                  |                                        |
| 81     | 2020 2 Qtr | 94,285,254                          | 97,670,620                        |                                      | 281,308,041                          |                                   |                                                 |                       |                 |                                                  |                                        |
| 82     | 2020 3 Qtr | 94,866,316                          | 97,363,460                        |                                      | 281,308,041                          |                                   |                                                 |                       |                 |                                                  |                                        |
| 83     | 2020 4 Qtr | 95,491,433                          | 97,056,339                        | 768,265,846                          | 281,308,041                          | 1,142,232,930                     | 373,967,084                                     | 32.74%                | \$18.83         | \$12.67                                          | \$11.97                                |

# Exhibit C

**COUNSEL'S EXHIBIT NO. 1**

### GPRM Example Utilizing Aggregate Contribution

[illegible]