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SLOVER & LOFTUS

ATTORNEYS AT LAW

1224 SEVENTEENTH STREET, N. W.
WASHINGTON, D. C. 20036-3003

WILLIAM L. SLOVER
C. MICHAEL LOFTUS
DONALD G. AVERY
JOHN H. LE SEUR
KELVIN J. DOWD
ROBERT D. ROSENBERG
CHRISTOPHER A. MILLS
FRANK J. PERGOLIZZI
ANDREW B. KOLESAR III
PETER A. PROHL
DANIEL M. JAFFE
KAREN HASSELL HERREN

TELEPHONE:
(202) 347-7170

FAX:
(202) 347-3619

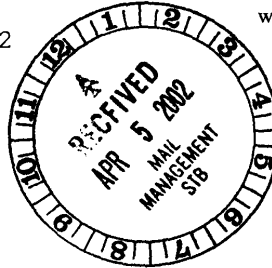
WRITER'S E-MAIL:

wls@sloverandloftus.com

April 5, 2002

BY HAND DELIVERY

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



Re: Docket No. 42069, Duke Energy Corporation
vs. Norfolk Southern Railway Company

Dear Secretary Williams:

Enclosed for filing in the above-referenced proceeding please find an original and ten (10) copies of the Supplement-Amendment To The Verified Complainant of Duke Energy Corporation.

We have enclosed and electronic copy of this filing in a WordPerfect format, and also have enclosed an additional hard copy to be date-stamped and returned to the bearer of this letter.

Thank you for your attention to this matter.

Sincerely,

ENTERED
Office of the Secretary

APR 08 2002

Part of
Public Record

A handwritten signature in cursive script, appearing to read "William L. Slover".

William L. Slover
An Attorney for Duke Energy
Corporation

Enclosures

cc: Counsel for Defendant

BEFORE THE
SURFACE TRANSPORTATION BOARD

DUKE ENERGY CORPORATION
526 South Church Street
Charlotte, NC 28202,

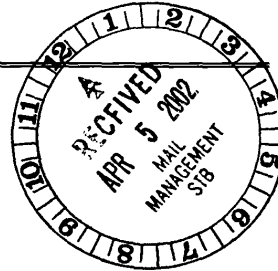
Complainant,

v.

NORFOLK SOUTHERN RAILWAY COMPANY
110 Franklin Road
Roanoke, VA 24042-0026,

Defendant.

Docket No. 42069



**SUPPLEMENT-AMENDMENT TO THE VERIFIED COMPLAINT
OF DUKE ENERGY CORPORATION**

DUKE ENERGY CORPORATION

By: Paul R. Kinny
Assistant General Counsel
Duke Energy Corporation
Mail Code PB05E
422 South Church Street
Charlotte, NC 28202-1904

William L. Slover
Robert D. Rosenberg
Christopher A. Mills
Andrew B. Kolesar III
1224 Seventeenth Street, N.W.
Washington, D.C. 20036
(202) 347-7170

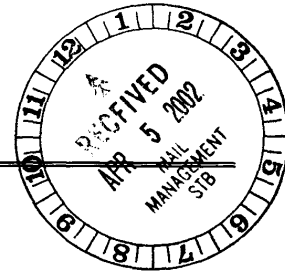
OF COUNSEL:

Slover & Loftus
1224 Seventeenth Street, N.W.
Washington, D.C. 20036

Dated: April 5, 2002

Attorneys for Complainant

BEFORE THE
SURFACE TRANSPORTATION BOARD



DUKE ENERGY CORPORATION
526 South Church Street
Charlotte, NC 28202,

Complainant,

v.

Docket No. 42069

NORFOLK SOUTHERN RAILWAY COMPANY
110 Franklin Road
Norfolk, VA 24042,

Defendant.

**SUPPLEMENT-AMENDMENT TO THE VERIFIED COMPLAINT
OF DUKE ENERGY CORPORATION**

COMES NOW Duke Energy Corporation ("Duke Energy") and
files this Supplement-Amendment to the Verified Complaint of Duke
Energy Corporation filed on December 19, 2001, and in support
thereof shows:

I

INTRODUCTION

On November 19, 2001, Defendant Norfolk Southern
Railway Company ("NS") established a common carrier schedule for
coal transportation services to several destinations in North
Carolina where Duke Energy receives coal in substantial volumes

(see Exhibit B, hereto, at 14).¹ This schedule is the subject of Duke Energy's Complaint case.

On March 27, 2002, Duke Energy received a copy of a document identified as Norfolk Southern Price Authority NSRQ 61880 Section 1A00 (see Exhibit B, hereto). This schedule, whose each page contains the legend: "SENT 03/22/2002," purports to have become effective on January 30, 2002 (see Exhibit B, at 1).

II

NSRQ 61880

Duke Energy amends and supplements its Complaint of December 19, 2001 so as to include the schedule now denominated as NSRQ 61880. Duke alleges that the rates, charges, and service terms set forth in NSRQ 61880 are unreasonable, unlawful, and/or constitute unreasonable practices.

WHEREFORE, Duke Energy prays that its Complaint be supplemented and amended so as to challenge NSRQ 61880 on the grounds that the rates, charges, practices, and service terms set forth therein are unlawful and unreasonable.

¹ Exhibit A is appended to Duke's December 19, 2001 Complaint.

Respectfully submitted,

DUKE ENERGY CORPORATION

By: Paul R. Kinny
Assistant General Counsel
Duke Energy Corporation
Mail Code PB05E
422 South Church Street
Charlotte, NC 28202-1904

William L. Slover 
Robert D. Rosenberg
Christopher A. Mills
Andrew B. Kolesar III
1224 Seventeenth Street, N.W.
Washington, D.C. 20036
(202) 347-7170

OF COUNSEL:

Slover & Loftus
1224 Seventeenth St., N.W.
Washington, D.C. 20036

Dated: April 5, 2002

Attorneys for Complainant

CERTIFICATE OF SERVICE

I hereby certify that I have this 5th day of April,
2002 served copies of this Supplement-Amendment To The Verified
Complaint of Duke Energy Corporation upon the following:

George A. Aspatore, Esq.
Norfolk Southern Corporation
Three Commercial Place
Norfolk, VA 23510-2191
(by overnight courier)

G. Paul Moates, Esq.
Sidley Austin Brown & Wood
1501 K Street, N.W.
Washington, D.C. 20005
(by hand)



William L. Slover
An Attorney for Complainant

ROANOKE-VA/GCTM
SUBJECT TO FUTURE INCREASES ADOPTED BY RAILROADS

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-----NN  NN SSSS
-----NNN  NN SS
-----NNNNNNN SSSSS
-----NN  NNN  SS
-----NN  NN SSSSS

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NORFOLK SOUTHERN

N O R F O L K S O U T H E R N P R I C E A U T H O R I T Y

NSRQ 61880 SECTION 1 A 00

EFFECTIVE : 01/30/2002

EXPIRES : NO EXPIRATION DATE

FILE NUMBER : NSRQ 61880

RATES ARE TO BE ADJUSTED BY THE GPD-IPD (CHAIN-WEIGHTED) INDEX QUARTERLY BEGINNING JULY 1, 2002. SEE APPENDIX A FOR DETAILS.

*** SEE LAST PAGE FOR ADDITIONAL COMMENTS ***

PRODUCT MANAGER: S L JOHNSON

540-985-6380

NORFOLK SOUTHERN

NSRQ 61880 1 A00

SENT 03/22/2002

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ITEM: 101000.00 ORIGIN ROAD: NS DESTINATION ROAD: NS
TCC: 1121200.00 PREPARED BITUMINOUS COAL

FROM: SC CHARLESTON

TO:	PRICE	PER MIN	WT	EQUIP	NOTE REFERENCES
VC BELEWS CREEK	19.91	NTN		ALL	01 02
VC BELMONT	17.97	NTN		ALL	01 02
VC EDEN	21.01	NTN		ALL	01 03
VC SPENCER	18.22	NTN		ALL	01 03

FROM: WV CR KANAHWA

TO:	PRICE	PER MIN	WT	EQUIP	NOTE REFERENCES
VC BELEWS CREEK	16.45	NTN		ALL	01 02
VC BELMONT	18.61	NTN		ALL	01 02
VC EDEN	17.00	NTN		ALL	01 03
VC SPENCER	17.61	NTN		ALL	01 03

FROM: WV NEWHALL

TO:	PRICE	PER MIN	WT	EQUIP	NOTE REFERENCES
VC EDEN	17.00	NTN		ALL	01 03
VC SPENCER	17.61	NTN		ALL	01 03

FROM: XX NS CLINCH VALLEY 1

TO:	PRICE	PER MIN	WT	EQUIP	NOTE REFERENCES
VC BELEWS CREEK	16.45	NTN		ALL	01 02
VC BELMONT	16.00	NTN		ALL	01 02
VC EDEN	17.05	NTN		ALL	01 03
VC SPENCER	16.55	NTN		ALL	01 03

FROM: XX NS GROUP #4

TO:	PRICE	PER MIN	WT	EQUIP	NOTE REFERENCES
VC BELEWS CREEK	16.45	NTN		ALL	01 02
VC BELMONT	16.00	NTN		ALL	01 02
VC EDEN	17.05	NTN		ALL	01 03
VC SPENCER	16.55	NTN		ALL	01 03

NORFOLK SOUTHERN

NSRQ 61880 1 A00

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ITEM: 101000.00 STCC: 1121200.00 (CONTINUED)

FROM: XX NS GROUP #5
TO:

	PRICE	PER MIN	WT	EQUIP	NOTE REFERENCES
NC BELEWS CREEK	16.45	NTN		ALL	01 02
NC BELMONT	16.95	NTN		ALL	01 02
NC EDEN	17.00	NTN		ALL	01 03
NC SPENCER	17.00	NTN		ALL	01 03

FROM: XX NS GROUP #6
TO:

	PRICE	PER MIN	WT	EQUIP	NOTE REFERENCES
NC BELEWS CREEK	16.45	NTN		ALL	01 02
NC BELMONT	16.95	NTN		ALL	01 02
NC EDEN	17.00	NTN		ALL	01 03
NC SPENCER	17.00	NTN		ALL	01 03

FROM: XX NS GROUP #9
TO:

	PRICE	PER MIN	WT	EQUIP	NOTE REFERENCES
NC BELEWS CREEK	16.45	NTN		ALL	01 02
NC BELMONT	16.00	NTN		ALL	01 02
NC EDEN	17.05	NTN		ALL	01 03
NC SPENCER	16.55	NTN		ALL	01 03

FROM: XX NS GROUP #9A
TO:

	PRICE	PER MIN	WT	EQUIP	NOTE REFERENCES
NC BELEWS CREEK	16.45	NTN		ALL	01 02
NC BELMONT	16.00	NTN		ALL	01 02
NC EDEN	17.05	NTN		ALL	01 03
NC SPENCER	16.55	NTN		ALL	01 03

FROM: XX NS GROUP 30
TO:

	PRICE	PER MIN	WT	EQUIP	NOTE REFERENCES
NC BELEWS CREEK	19.49	NTN		ALL	01 02
NC BELMONT	16.19	NTN		ALL	01 02
NC EDEN	20.09	NTN		ALL	01 03
NC SPENCER	18.61	NTN		ALL	01 03

NORFOLK SOUTHERN

NSRQ 61880 1 A00

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TEM: 101000.00 STCC: 1121200.00 (CONTINUED)

FROM: XX NS POCAHONTAS

TO:	PRICE	PER MIN	WT EQUIP	NOTE REFERENCES
NC BELEWS CREEK	16.45	NTN	ALL	01 02
NC BELMONT	18.61	NTN	ALL	01 02

FROM: XX NS TUG RIVER

TO:	PRICE	PER MIN	WT EQUIP	NOTE REFERENCES
NC BELEWS CREEK	16.45	NTN	ALL	01 02
NC BELMONT	18.61	NTN	ALL	01 02
NC EDEN	17.00	NTN	ALL	01 03
NC SPENCER	17.61	NTN	ALL	01 03

FROM: XX NS UPPER BUCHANAN

TO:	PRICE	PER MIN	WT EQUIP	NOTE REFERENCES
NC BELEWS CREEK	16.45	NTN	ALL	01 02
NC BELMONT	18.61	NTN	ALL	01 02
NC EDEN	17.00	NTN	ALL	01 03
NC SPENCER	17.61	NTN	ALL	01 03

FROM: XX NS VIRGINIAN

TO:	PRICE	PER MIN	WT EQUIP	NOTE REFERENCES
NC BELEWS CREEK	16.45	NTN	ALL	01 02
NC BELMONT	18.61	NTN	ALL	01 02
NC EDEN	17.00	NTN	ALL	01 03
NC SPENCER	17.61	NTN	ALL	01 03

NOTE REFERENCES:

01 APPLICABLE ONLY WHEN IN
CARS OWNED OR LEASED BY NS.

6092

IN THE EVENT THE PRICE OF
WEST TEXAS INTERMEDIATE CRUDE OIL, AS PUBLISHED IN THE WALL
STREET JOURNAL, EXCEEDS \$28.00 PER BARREL FOR THIRTY (30)
CONSECUTIVE DAYS, NORFOLK SOUTHERN RETAINS THE RIGHT TO APPLY
A FUEL SURCHARGE TO THE FREIGHT CHARGE(S) CONTAINED IN THIS
AUTHORITY IN EFFECT ON THE DATE THE FUEL SURCHARGE IS APPLIED,
HEREAFTER REFERRED TO AS THE "BASE FREIGHT CHARGE(S)". IF THIS
OPTION IS EXERCISED, THE FUEL SURCHARGE SHALL BE APPLIED
ACCORDING TO THE FOLLOWING SCHEDULE:

6766

TEXAS INTERMEDIATE

CUMULATIVE

NORFOLK SOUTHERN

NSRQ 61880 1 A00

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TEM: 101000.00 STCC: 1121200.00 (CONTINUED)
 NOTE REFERENCES (CONTINUED)

CRUDE OIL
 (PRICE PER BARREL)

\$28
 \$33
 \$38
 \$43

FUEL SURCHARGE
 (PERCENTAGE)

2%
 4%
 6%
 8%

EACH \$5.00 PER BARREL INCREASE

AN ADDITIONAL 2%

THE PRICE OF WEST TEXAS INTERMEDIATE CRUDE OIL MUST EXCEED A GIVEN BRACKET FOR THIRTY (30) CONSECUTIVE DAYS FOR THE SURCHARGE UNDER THAT BRACKET TO BE APPLICABLE. IF THE PRICE OF WEST TEXAS INTERMEDIATE CRUDE OIL CEASES TO BE AVAILABLE FROM THE WALL STREET JOURNAL OR SOME OTHER READILY ACCESSIBLE SOURCE, A SUBSTITUTE TO MEASURE WILL BE UTILIZED.

CUSTOMERS WILL RECEIVE NOTICE OF ANY FUEL SURCHARGE NOT LESS THAN TEN (10) DAYS PRIOR TO ITS APPLICATION. ANY FUEL SURCHARGE APPLIED TO THE FREIGHT CHARGE(S) IN THIS AUTHORITY WILL BE REMOVED OR REDUCED WHEN THE PRICE OF WEST TEXAS INTERMEDIATE CRUDE OIL REMAINS BELOW THE PRICE WHICH TRIGGERS A SPECIFIC SURCHARGE BRACKET FOR THIRTY (30) CONSECUTIVE DAYS. REDUCTIONS WILL BE MADE PROMPTLY AFTER THEY BECOME APPLICABLE. IN NO CASE WILL THE FREIGHT CHARGE(S) BE REDUCED BELOW THE "BASE FREIGHT CHARGE(S)" NOR WILL THE APPLICATION OR REMOVAL OF THE FUEL SURCHARGE BE RETROACTIVE.

THIS QUOTATION IS SUBJECT TO THE RULES
 AND PROVISIONS OF NS CONDITIONS OF CARRIAGE #2-SERIES.

5520

22 APPLIES ON SHIPMENT OF NOT LESS THAN
 90 CARLOADS.

5007

03 RATE APPLICABLE ON SHIPMENTS OF NOT
 LESS THAN 85 CARS.

5426

NORFOLK SOUTHERN

NSRQ 61880 1 A00

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STATION GROUP LISTS:

V CR KANAHWA	906084	
WV FOLA MINE	WV HIGH POWER MT MINE	WV PEERLESS EAGLE MINE
WV PORT AMHERST	WV TERRY EAGLE MINE	
X NS CLINCH VALLEY 1	902097	
VA BURKS GARDEN	VA CEDAR BLUFF	VA DORAN
VA FINNEY	VA GARDNER	VA GRACELAND
VA HONAKER	VA JEWELL	VA MAXWELL
VA POUNDING MILL	VA RAVEN	VA RED ASH
VA RICHLANDS	VA SEABOARD	VA ST CLAIR
VA SWORDS CREEK	VA TAZEWELL	VA TIP TOP
IX NS GROUP #4	902087	
VA ARTRIP	VA BANNER	VA BOND TOWN
VA CALEDONIA	VA CARBO	VA CARTERTON
VA CASTLEWOOD	VA CLEVELAND	VA COEBURN
VA DALE RIDGE	VA NORTON	VA RAMSEY
VA ST PAUL	VA TACOMA	VA TOMS CREEK
VA VIRGINIA CITY		
IX NS GROUP #5	902083	
KY AFLEX	KY ARROW	KY BANE
KY BELFRY	KY BIGGS	KY CHISHOLM
KY CURB	KY DOUGLAS	KY DUNLAP
KY FLANARY	KY HARDY	KY JAMBOREE
KY LICK CREEK	KY MAJESTIC	KY MORCOAL
KY MOUTH CARD	KY NAMPA	KY PEG
KY PHELPS	KY POINT ROCK	KY SHARONDALE
KY STONE	KY THOMAS	KY WOODMAN
VA BEAR	VA CLINCHFIELD	VA CONOWAY
VA DIAMOND	VA GRUNDY	VA HARMAN
VA HOME CREEK	VA HURLEY	VA KELSA
VA KOPP	VA LEE TOWN	VA LOONEYS CREEK
VA LUKE	VA PINE OAKS	VA RAITT
VA STRIC	VA TOOKLAND	VA WARD
WV ALNWICK	WV BAISDEN	WV BLUECO
WV CINDERELLA	WV CLARMATAN	WV COLONEL
WV DELORME	WV DEVON	WV ELDA
WV GLEN ALUM	WV HULL	WV ISABAN
WV KROLLITZ	WV LAVOY	WV LIGHT
WV LOBATA	WV MABLEY	WV MATEWAN
WV MCCARR	WV MERRIMAC	WV MITCHELL BRANCH
WV MITCHELL YARD	WV MOHAWK	WV NEDS BRANCH
WV PANTHER	WV POLON	WV RAWL
WV RED JACKET	WV SCAGGS	WV SPRIGG
WV THACKER	WV TIMBAR	WV UDE
WV VIMY	WV VULCAN	WV WAR EAGLE

NORFOLK SOUTHERN

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GROUP LISTS (CONTINUED)

EX NS GROUP #5
WV WHARNCLIFFE902083 (CONTINUED)
WV WILLIAMSONEX NS GROUP #6
KY BEAUTY
KY GUND
KY PANTHER FORK
KY PONTIKI
WV ARMEN
WV CHATTAROY
WV CYRUS
WV FORT GAY
WV GREY EAGLE
WV KENOVA
WV MARROWBONE
WV PRICHARD
WV TRIPP902084
KY BRADBURY
KY HATFIELD
KY PEVLER
KY SAND LICK
WV BORDERLAND
WV COLMONT
WV DELBARTON
WV GLENHAYES
WV HEWLET
WV KERMIT
WV NAUGATUCK
WV SCARLET GLEN
WV WAYNEKY COALPOINT
KY MARTIKI
KY PILGRIM
KY SIDNEY
WV CAMPCO
WV CRUM
WV EAST LYNN
WV GOODMAN
WV HUBBARDSTOWN
WV LENORE
WV NOLAN
WV STONECOAL YARD
WV WEBBXX NS GROUP #9
VA ANDOVER
VA BAND MILL
VA CRITICAL FORK
VA DIXIANA
VA DUNBAR
VA HOLTON
VA NORTON INT
VA PINE BR
VA ROARING FORK
VA STEER BRANCH
VA WENTZ902089
VA APPALACHIA
VA BLACKWOOD
VA CROSSBROOK
VA DORCHESTER
VA ESSERVILLE
VA KELLY VIEW
VA OSAKA
VA PINE BRANCH
VA RODA
VA STONEGA
VA WHITFIELD SIDINGVA ARNO
VA CANE PATCH
VA DERBY
VA DORCHESTER JCT
VA GLAMORGAN
VA KENT JCT
VA PARDEE
VA RAMSEY INT
VA STEER BR
VA TACOMA INTXX NS GROUP #9A
VA BENEDICT
VA CREST
VA KEOKEE
VA MAYFLOWER
VA PURCELL902088
VA BUNDY
VA IMBODEN
VA KING COLE
VA PENN LEE
VA ST CHARLESVA CALVIN
VA KEMMERER GEM 2
VA MANESS
VA POCKET
VA TURNERS STATIONXX NS GROUP 30
KY ARBOR
KY MIDDLESBORO
TN MOTCH900063
KY BURLEY
KY PARAMOUNT
TN TIPRELLKY HIGNITE
KY PIONEERXX NS POCAHONTAS
VA AMONATE
VA BOISSEVAIN
WV ANAWALT
WV BERWIND
WV BLUESTONE902094
VA BANDY
VA POCAHONTAS
WV ANGLE
WV BIG FOUR
WV BRANWELLVA BISHOP
WV ALPHEUS
WV ARISTA
WV BLACK WOLF
WV COON

NORFOLK SOUTHERN

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GROUP LISTS (CONTINUED)

X NS POCAHONTAS

WV CRUMPLER
WV ELBERT
WV GARY
WV HARTWELL
WV KEYSTONE
WV MAITLAND
WV MCCOMAS
WV NEWHALL
WV POWHATAN
WV SIMMONS
WV SQUIRE
WV VIVIAN
WV WIDEMOUTH

902094 (CONTINUED)

WV DROIT
WV ELKHORN
WV GIATTO
WV HAVACO
WV KIMBALL
WV MATOAKA
WV MONTCALM
WV NORTH FORK
WV REAM
WV SKYGUSTY
WV SUPERIOR
WV WELCH
WV WILCOE

WV ECKMAN
WV FILBERT
WV GOODWILL
WV JENKINJONES
WV LANDGRAFF
WV MAYBEURY
WV MUNSON
WV PAGETON
WV ROCK
WV SPRINGTON
WV VENUS
WV WEYANOKE

CX NS TUG RIVER

WV BARTLEY
WV CARLOS
WV ENGLISH
WV HEMPHILL
WV LOMAX
WV RODERFIELD
WV TWIN BRANCH

902095

WV BRADSHAW
WV CLAREN
WV GARLAND
WV JAEGER
WV MARYTOWN
WV SANDY HUFF
WV WAR

WV CAPLES
WV DAVY
WV GLUCK
WV JUNO
WV PREMIER
WV SUSANNA
WV WILMORE

IX NS UPPER BUCHANAN

VA CORNELIU
VA DISMAL YARD
VA JEWELL VALLEY
VA MILLS
VA PATTERSON
VA SENG CAMP
VA VAPO

902096

VA CORONET
VA DWIGHT
VA KEEN MOUNTAIN
VA OAKWOOD
VA QUEEN
VA SPRUCE PINE
VA WHITEWOOD

VA CORONET 2
VA HAMILTON
VA KOENIG
VA PAGE
VA ROTH
VA VANSANT

KX NS VIRGINIAN

WV AFFINITY
WV AMIGO
WV BEARDS FORK
WV BLACK EAGLE
WV CIRTSVILLE
WV CRANBERRY
WV DEERFIELD
WV FIRECO
WV GILBERT
WV GUYAN
WV HELEN
WV ITMANN
WV JUDGE
WV LESTER
WV LONG BRANCH

902093

WV ALLOY
WV AMIGO MINE
WV BECKLEY
WV CALLAWAY
WV COAL MOUNTAIN
WV DEEPWATER
WV EAST GULF
WV FOX
WV GILBERT YARD
WV HARPER
WV HERNDON
WV JAZBO
WV JUSTICE
WV LILLYBROOK
WV LYNCO

WV ALPOCA
WV BAILEYSVILLE
WV BESOCO
WV CARLISLE
WV CRAB ORCHARD
WV DEEPWATER BRIDGE
WV ECCLES
WV FRANCIS
WV GLOVER
WV HATCHER
WV INGRAM BRANCH
WV JONBEN
WV KOPPERSTON
WV LIVELY
WV MABEN

NORFOLK SOUTHERN

NSRQ 61880 1 A00

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GROUP LISTS (CONTINUED)

X NS VIRGINIAN

WV MABSCOTT
WV MCVEY
WV NORMAN
WV OCEANA
WV PAX
WV PINNACLE CREEK
WV SCARBRO
WV SLAB FORK
WV STEPHENSON
WV TAMS
WV TRALEE
WV WILLIS BRANCH
WV WYCO

902093 (CONTINUED)

WV MACALPIN
WV MEAD
WV OAK HILL
WV OTSEGO
WV PEMBERTON
WV PUTT
WV SHANNON
WV SLAB FORK 2
WV STOTESBURY
WV TIERNEY
WV WHITBY
WV WINDING GULF 4
WV WYOMING

WV MARIANNA
WV MULLENS
WV OAKWOOD
WV PAGE
WV PINEVILLE
WV ROBSON
WV SKELTON
WV SPRAGUE
WV SURVEYOR
WV TOLER SPUR
WV WILLABET
WV WOODBAY

NORFOLK SOUTHERN

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COMMENTS:

LOADING FREE TIME: PER NS TARIFF 9219-B

UNLOADING FREE TIME - 6 HRS. AT DESTINATION. DETENTION CHARGES OF \$500 PER HOUR OR FRACTION THEREOF AFTER ACTUAL PLACMENT OR TENDER OF A TRAIN FOR UNLOADING.

THIS RATE AUTHORITY HAS BEEN SENT TO THE FOLLOWING ADDRESSES:
ROANOKE-VA/GCTM

1. CHIEF :
2. A. DSN
3. R. DSN

4. " " "
5. " " "

1. CHIEF :
2. A. DSN
3. R. DSN

4. " " "
5. " " "

NSRQ 61880**Appendix A****Adjustment Clause**

The base rates in NSRQ 61880 shall be adjusted quarterly upward or downward on January 1, April 1, July 1 and October 1 with the first adjustment to occur on July 1, 2002. The rates shall be adjusted by the cumulative percentage change in the GDP-IPD (Chain-Weighted). Rates shall not be adjusted below the Base Rates in NSRQ 61880 that were effective January 1, 2002.

The Adjustment shall be the percentage difference in the first published Gross Domestic Product - Implicit Price Deflator (currently known as the "Advance" GDP-IPD index) for the most recent quarter compared with the first published GDP-IPD index for the previous quarter, as published in the Survey of Current Business by the Bureau of Economic Analysis, U.S. Department of Commerce, (the intent being to measure the change for inflation between quarters by comparing similar index values).

As the U.S. Department of Commerce or any successor organization performs revisions to the series of GDP-IPD index values (currently known as Annual or Comprehensive Revisions [Rebasing]), the revisions shall be used by applying the same quarterly calculation methodology.

The changeover to the revised series of index values will occur the first time that the revised indexes are available for the current and previous quarter. This specifically does not include the usual revisions that occur during the quarter.

In the event the GDP-IPD (Chain-Weighted) index is unavailable, the Consumer Price Index (CPI) will be used.

NSRQ 61880
Adjustment Clause
Page 2.

The GDP-IPD rate adjustment calculation shall be determined using the following formula:

$$\frac{(\text{Current GDP-IPD less Previous GDP-PD})}{\text{Previous GDP-IPD}} = \text{Quarterly Change Factor}$$

One (1) plus the Quarterly Change Factor =
Quarterly Adjustment Factor
Previous Rate Multiplied by Quarterly Adjustment
Factor = Current Adjusted Factor

The Quarterly Change Factor and the Quarterly
Adjustment Factor will be rounded to three (3)
decimal places and the Current Adjusted Rate
rounded to the nearest whole cent.

Example: $[(112.60 - 112.12) / 112.12] = .004$

Assuming the rate is \$16.00 and the Quarterly
Adjustment Factor is 1.004, then the Current
Adjusted Rate would be:

$\$16.00 \times 1.004 = \16.06 (Current Adjusted Rate)



Norfolk Southern Corporation
Coal Business Group
110 Franklin Road
Roanoke, Virginia 24042-0026
Fax: 540/985-6398

J. W. Hamilton, Jr.
Director Coal Marketing-South
(540) 985-6393
jwhamilt@nscorp.com

November 19, 2001
Duke

Mr. D. G. McIntyre
Manager Coal Transportation
526 South Church Street (EC01U)
Charlotte, NC 28201-1006

Dear D. G.:

This is in response to Duke's request for common carrier transportation rates applicable for the movement of coal from NS served coal loading Origins for consumption at Duke's steam stations located at Belews Creek, NC, Belmont, NC, Spencer, NC, and Eden, NC (Destinations). These common carrier transportation rates are per net ton for Trainload shipments subject to the following conditions:

Effective Date – January 1, 2002.

Route – NS direct.

Equipment – NS supplied rail cars.

Minimum Train Size – Trainload shipments of 90-cars for delivery to Belews Creek, NC and Belmont, NC. Trainload shipments 85-car trains for Spencer, NC and Eden, NC.

Minimum Loading Requirement - All cars shall be loaded to not less than 98% of Umler capacity. Cars that are loaded to less than 98% of Umler capacity shall be subject to full freight deficit charges equal to the deficit tonnage (defined as 98% Umler capacity minus actual loaded capacity) multiplied by the applicable per ton common carrier rate.

Loading Free Time – Trainloads originating at floodload locations shall be governed by NS Tariff 9219-B. Trainloads originating at non-floodload locations shall be governed by RPS-6008.

Unloading Free Time – 6 hours per trainload shipment at each Destination. Detention charge shall be \$500 per hour or fraction thereof after actual placement or tender of a shipment for unloading.

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Applicable Tariffs – Shipments moving on these common carrier transportation rates shall be subject to all classifications, tariffs, government, AAR, and carrier rules and regulations. These shall specifically include but shall not be limited to NS Tariffs 9037-I, 9219-B, RPS-6008, and NS Conditions of Carriage #2 B.

Trainload Common Carrier Freight Rates – Freight rates for trainload shipments per net ton shall be as shown in the Origin/Destination matrix below.

Destination/Origin	Interstate CV1 & 2			Kanawha Virginia Pocahontas Tug River Upper Buchanan	Charleston, SC Shipyard River Terminal
	Thacker I & II Kenova	St Charles Tiller	Middlesboro		
Allen Station	\$16.95	\$16.00	\$16.19	\$18.61	\$17.97
Belews Creek Station	\$16.45	\$16.45	\$19.49	\$16.45	\$19.91
Buck Station	\$17.00	\$16.55	\$18.61	\$17.61	\$18.22
Dan River Station	\$17.00	\$17.05	\$20.09	\$17.00	\$21.01

Non-Trainload Common Carrier Freight Rates – Shall be made pursuant to Freight tariff NS 4203-J.

Please call Joe Frye or me if you have any questions concerning the application of these common carrier freight rates or if you have any questions concerning the conditions applicable to these common carrier freight rates.

Sincerely,

