

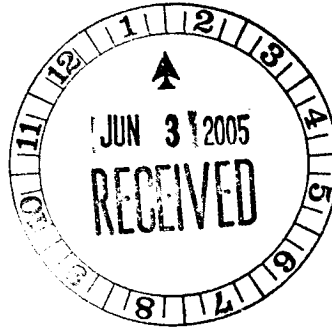
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June 3, 2005

**PUBLIC VERSION**

VIA HAND DELIVERY

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Washington, D.C. 20423

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**Re: BNSF Responses to Board Staff's Technical Conference Questions**  
**Western Fuels Assoc. Inc., and Basin Electric Power Coop., Inc. v. BNSF Railway Co.**  
**STB Docket No. 42088**

Dear Mr. Konschnik:

At the Technical Conference on May 17, 2005, Board staff presented the parties with three questions concerning maintenance of way costs. Below are BNSF Railway Company's ("BNSF") responses to the two questions that were directed to it.

Question No. 1.:

BNSF's invoices to UP for MOW on the *Joint Facility* portion of the LRS route refer to four "Sections." On a given invoice, each Section pertains to the same portion of the route (e.g., MP 14.8 to MP 60.2). What is a Section? (WFA/BN WP Vol. 1 674-699)

BNSF Response:

The term "Section" is not a geographic reference, but rather a reference to a section of the joint facility invoice. Invoices are generally divided into four sections. The operating portion of maintenance costs (based on historical RRB accounting rules) is invoiced in Sections 01 and 02, while capital costs (also based on historical RRB accounting rules) are invoiced in Section 03 and 04. Each cost category has two sections because Joint Line maintenance costs are allocated between BNSF and UP based { }. The basic scheme is that operating

costs are invoiced based on {

}

Due to a coding error, no costs were invoiced in Section 04 in either of the two invoices contained in the workpapers referenced in the above request. The missing amounts were subsequently invoiced in April 2004.

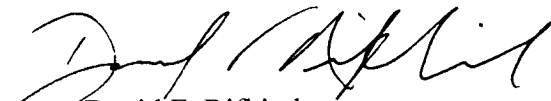
Question No. 2.:

BNSF's invoices to UP for MOW on the **Joint Facility** portion of the LRS route make it apparent that BNSF records MOW **by line segment** for the Joint Facility portion of the LRS route. In order that BNSF be able to compare costs against revenues for routes along its system, does BNSF maintain MOW costs for other **segments** of its route for this route (i.e., by line segment, from MP to MP, or by valuation section). (WFA/BN WP Vol. 1 674-699)

BNSF Response:

BNSF does not maintain complete MOW costs on a segment, milepost, or valuation section basis for parts of the issue route that are not part of the Orin Line. BNSF reports MOW costs incurred on its system to the appropriate engineering or mechanical cost center. Some of those cost centers are associated with particular line segments. However, other engineering and mechanical cost centers correspond to a region, or in some cases to the entire system.

Very truly yours,



David F. Rifkind

cc: Dr. William Huneke (STB)  
Counsel for WFA/Basin  
Anthony J. LaRocca  
Samuel M. Sipe, Jr.