



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

Office of the General Counsel

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Meeting under Section 5, STB Reauthorization Act

August 1, 2017

Present: Members Begeman, Elliott, and Miller
Member Staff: James Boles, Valerie Quinn, Ryan Lee, Chris Diamond, and
Alison Graab
Agency Staff: Rachel Campbell, Theodore Hunt, Matthew Bornstein, Sarah
Fancher, Andrew Read, Erik Light, Elizabeth McGrath, Rob Plum, Kim
Hillenbrand, Alan Cassiday

Topic: NOR 42142, *Consumers Energy v. CSXT*

Summary of the Matters Discussed, Prepared by Acting General Counsel Theodore Hunt:

At this meeting staff briefed Board Members on certain issues in the pending *Consumers Energy v. CSXT* rate case. In that proceeding, Consumers argues that CSXT's rates for shipping Consumers' coal are unreasonably high. Staff briefed the Members on the following matters related to the Operating Plan and Road Property Investment selections:

- The parties' disagreement regarding the methodology for locomotive repositioning contained in Consumers' Operating Plan.
 - o CSXT claims that Consumers has improperly changed the previously-agreed upon methodology used for locomotive repositioning in its supplemental evidence submission. CSXT has filed a motion to strike Consumers' supplemental rebuttal arguments pertaining to its allegedly new methodology.
 - o Consumers asserts that it has not changed its methodology for locomotive repositioning in its supplemental evidence; rather, only the result has changed because of different inputs.
 - o The Members asked questions concerning the parties' arguments and staff presented their analysis of the parties' positions.
- The parties' disagreement regarding whether Consumers could exclude the costs for two bridges (the Calumet-Sag Channel Bridge and the Chicago Sanitary

Canal Bridge) from the Road Property Investment (RPI) section of their SARR model.

- o Consumers claims that it has presented substantial evidence that both bridges were previously constructed by the City of Chicago (specifically, the Sanitary District of Chicago), and therefore, do not need to be included in the SARR's RPI costs.
- o CSXT asserts that the evidence upon which Consumers relies does not show that the Sanitary District of Chicago paid for either bridge, and that therefore the cost of both bridges should be included in the RPI costs.
- o The Members asked questions concerning the parties' arguments and staff presented their analysis of the parties' positions.