

# FREIGHT TARIFF WTS 9500-B

## WATCO TRANSPORTATION SERVICES FUEL SURCHARGE PUBLICATION

ANN ARBOR RAILROAD INC (AA)  
ALABAMA SOUTHERN RAILROAD LLC (ABS)  
ARKANSAS SOUTHERN RAILROAD LLC (ARS)  
AGAWA CANYON RAILROAD ULC (ACR)  
AUSTIN WESTERN RAILROAD LLC (AWRR)  
AUTAUGA NORTHERN RAILROAD LLC (AUT)  
BIRMINGHAM TERMINAL RAILWAY LLC (BHRR)  
BLUE RIDGE SOUTHERN RAILROAD LLC (BLU)  
BOISE VALLEY RAILROAD LLC (BVRR)  
DECATUR & EASTERN ILLINOIS RAILROAD LLC (DREI)  
EASTERN IDAHO RAILROAD LLC (EIRR)  
FOX VALLEY & LAKE SUPERIOR RAIL SYSTEM LLC (FOXY)  
GRAND ELK RAILROAD INC (GDLK)  
GREAT LAKES CENTRAL RAILROAD INC (GLC)  
GREAT NORTHWEST RAILROAD LLC (GRNW)  
GEAUX GEAUX RAILROAD LLC (GOGR)  
ITHACA CENTRAL RAILROAD, LLC (ITHR)  
KANAWHA RIVER RAILROAD LLC (KNWA)  
KAW RIVER RAILROAD LLC (KAW)  
KANSAS & OKLAHOMA RAILROAD LLC (KO)  
LOUISIANA SOUTHERN RAILROAD LLC (LAS)  
LUBBOCK AND WESTERN RAILWAY, LLC (LBWR)  
MISSION MOUNTAIN RAILROAD LLC (MMT)  
MISSISSIPPI SOUTHERN RAILROAD LLC (MSR)  
PACIFIC SUN RAILROAD LLC (PSRR)  
PALOUSE RIVER AND COULEE CITY RAILROAD LLC (PCC)  
PECOS VALLEY SOUTHERN RAILWAY LLC (PVS)  
PENNSYLVANIA SOUTHWESTERN RAILROAD LLC (PSWR)  
RINGNECK AND WESTERN RAILROAD LLC (RWRR)  
SOUTH KANSAS AND OKLAHOMA RAILROAD LLC (SKOL)  
STILLWATER CENTRAL RAILROAD LLC (SLWC)  
SWAN RANCH RAILROAD LLC (SRRR)  
TEXAS AND NEW MEXICO RAILWAY, LLC (TXN)  
TIMBER ROCK RAILROAD LLC (TIBR)  
VERDIGRIS SOUTHERN RAILROAD LLC (VESO)  
VICKSBURG SOUTHERN RAILROAD LLC (VSOR)  
WISCONSIN & SOUTHERN RAILROAD LLC (WSOR)  
YELLOWSTONE VALLEY RAILROAD LLC (YSVR)

FREIGHT TARIFF WTS 9500-B (SUPERSEDES TARIFF WTS 9500-A)

FUEL SURCHARGE APPLICABLE TO RAIL TRANSPORTATION COMMODITIES MOVING IN INTERSTATE AND INTRASTATE COMMERCE VIA THE ANN ARBOR RAILROAD INC (AA), ALABAMA SOUTHERN RAILROAD LLC (ABS), ARKANSAS SOUTHERN RAILROAD LLC (ARS), AUSTIN WESTERN RAILROAD LLC (AWRR), AUTAUGA NORTHERN RAILROAD LLC (AUT), BIRMINGHAM TERMINAL RAILWAY LLC (BHRR), BLUE RIDGE SOUTHERN RAILROAD LLC (BLU), BOISE VALLEY RAILROAD LLC (BVRR), DECATUR & EASTERN ILLINOIS RAILROAD LLC (DREI), EASTERN IDAHO RAILROAD LLC (EIRR), GRAND ELK RAILROAD INC (GDLK), GREAT NORTHWEST RAILROAD LLC (GRNW), GEAUX GEAUX RAILROAD LLC (GOGR), ITHACA CENTRAL RAILROAD LLC (ITHR), KANAWHA RIVER RAILROAD LLC (KNWA), KAW RIVER RAILROAD LLC (KAW), KANSAS & OKLAHOMA RAILROAD LLC (KO), LOUISIANA SOUTHERN RAILROAD LLC (LAS), LUBBOCK AND WESTERN RAILWAY, LLC (LBWR), MISSION MOUNTAIN RAILROAD LLC (MMT), MISSISSIPPI SOUTHERN RAILROAD LLC (MSR), PACIFIC SUN RAILROAD LLC (PSRR), PALOUSE RIVER AND COULEE CITY RAILROAD LLC (PCC), PECOS VALLEY SOUTHERN RAILWAY LLC (PVS), PENNSYLVANIA SOUTHWESTERN RAILROAD LLC (PSWR), RINGNECK AND WESTERN RAILROAD LLC (RWRR), SOUTH KANSAS AND OKLAHOMA RAILROAD LLC (SKOL), STILLWATER CENTRAL RAILROAD LLC (SLWC), SWAN RANCH RAILROAD LLC (SRRR), TEXAS AND NEW MEXICO RAILWAY, LLC (TXN), TIMBER ROCK RAILROAD LLC (TIBR), VICKSBURG SOUTHERN RAILROAD LLC (VSOR), WISCONSIN AND SOUTHERN RAILROAD LLC (WSOR), AND YELLOWSTONE VALLEY RAILROAD LLC (YSVR)

# FREIGHT TARIFF WTS 9500-B

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## THE WATCO TRANSPORTATION SERVICES FREIGHT TARIFF WTS 9500-B SECTION I

### WATCO WEB SITE

*ITEM 5*

This publication is now available on the Internet for viewing or sending directly to your printer. The WATCO Home Page address is <https://www.watco.com>. All shippers and consignees that ship or receive railcars with any of the railroads on the Watco.com website should review the publications posted on the Website before tendering freight to or from any of the railroads as revisions to the publications will be made from time to time by supplement or reissuing the publications in their entirety.

From the Home Page click the "Customer Tools" link; this option houses the publications necessary for understanding how to do business with any one of the Watco Railroads.

### FUEL SURCHARGE APPLICATION

*ITEM 10*

In addition to the local line-haul transportation charge or charges published in applicable railroad tariffs or other specific railroad publications, a variable fuel surcharge will be assessed on all traffic on the applicable railroad. Fuel surcharges may be based on either a percentage of the freight rate, or mileage based.

Fuel surcharge is to be paid by the freight payer contained on the Bill of Lading and will be shown as a separate line item on the invoice and will be collected by and accrue solely to the specific railroad.

### CARLOAD FUEL SURCHARGE AMOUNT CALCULATION

*ITEM 20*

Fuel surcharge is calculated and adjusted monthly utilizing the following methodology. The total fuel surcharge for a given freight move will be rounded **up** to the nearest whole dollar. A general description of various pertinent terms follows. See Section II of this Tariff for details on all fuel surcharge programs.

#### ➤ MILEAGE BASED

- BASE FUEL PRICE – the per gallon cost of fuel established by Watco as the baseline from which to evaluate future fuel price increases.
- HDF PRICE – the monthly average price of Retail On-Highway Diesel Fuel (HDF) determined by averaging the four or five (as applicable for a specific month) U.S. Average Weekly Retail HDF prices reported by the U.S. Department of Energy at the following website: [https://www.eia.gov/dnav/pet/pet\\_pri\\_gnd\\_dcus\\_nus\\_m.htm](https://www.eia.gov/dnav/pet/pet_pri_gnd_dcus_nus_m.htm). On the following chart, this HDF PRICE projected vertically from the HDF Price axis to the blue graph line then horizontally to the \$ FSC per Mile axis indicates the per mile fuel surcharge. This per mile fuel surcharge, when multiplied by OD Pair Miles, produces the per car fuel surcharge to be invoiced the freight payer in addition to the per car freight rate for a specific commodity freight move;
- OD PAIR MILES – the origin to destination, on-rail miles for a given freight move. The mileage is determined using the origin rail station and the destination rail station as starting and ending points, respectively, for the specific move.
- FSC FACTOR – a factor defined by Watco's fuel efficiency.

#### ➤ PERCENTAGE BASED

- BASE FUEL PRICE – the per gallon cost of fuel established by Watco as the baseline from which to evaluate future fuel price increases.
- PERCENTAGE CALCULATION – the posted percentage, multiplied by the line-haul freight rate, will produce the fuel surcharge amount to be invoiced.

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## FUEL SURCHARGE APPLICATION TIMING

*ITEM 30*

The calculated fuel surcharge is applicable two months following the month of the published HDF pricing (e.g., July weekly HD F prices are averaged and used to determine the applicable fuel surcharge for September of the same year, December weekly HDF prices are averaged and used to determine the applicable fuel surcharge for February of the following year, etc.).

The per mile fuel surcharge amount will be posted no later than the 10<sup>th</sup> of the preceding month on the Watco website under each applicable railroad's Forms and Publications section.

## CHARGES HEREIN SUBJECT TO INCREASE

*ITEM 40*

Charges published herein are subject to increase by republication.

## SOURCE OF RETAIL ON-HIGHWAY DIESEL FUEL PRICES

*ITEM 50*

In the event the U.S. Department of Energy ceases to publish Retail On-Highway Diesel Fuel Prices or materially alters the methodology by which those prices are derived, a similar source will be substituted that closely matches the structure and formulation of HDF pricing. A change to or re-issue of this publication will be disseminated in such a substitution of source.

## REFERENCE TO TARIFFS, ITEMS, NOTES, RULES, ETC.

*ITEM 60*

Where reference is made in this publication to tariffs, items, notes, rules, etc., such references are continuous and include supplements to and successive issues of such tariffs and reissues of such items, notes, etc.

## SEVERABILITY

*ITEM 70*

If any provision of this publication is held invalid by a court or governmental entity of competent jurisdiction, such provision shall be severed from this publication and to the extent possible, this publication shall continue with regard to the remaining provisions.

## SECTION II FUEL SURCHARGE PROGRAMS & BASES

### OLD FUEL SURCHARGE BASE - PERCENTAGE

*ITEM 100*

RETIRED

### OLD FUEL SURCHARGE BASE - MILEAGE

*ITEM 200*

RETIRED

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## NEW FUEL SURCHARGE BASE - PERCENTAGE

ITEM 300

HDF		FSC		HDF	FSC
\$0.000	-	\$2.499	0.0%	\$3.200	7.5%
\$2.500	-	\$2.549	0.500%	\$3.250	8.0%
\$2.550	-	\$2.599	1.0%	\$3.300	8.5%
\$2.600	-	\$2.649	1.5%	\$3.350	9.0%
\$2.650	-	\$2.699	2.0%	\$3.400	9.5%
\$2.700	-	\$2.749	2.5%	\$3.450	10.0%
\$2.750	-	\$2.799	3.0%	\$3.500	10.5%
\$2.800	-	\$2.849	3.5%	\$3.550	11.0%
\$2.850	-	\$2.899	4.0%	\$3.600	11.5%
\$2.900	-	\$2.949	4.5%	\$3.650	12.0%
\$2.950	-	\$2.999	5.0%	\$3.700	12.5%
\$3.000	-	\$3.049	5.5%	\$3.750	13.0%
\$3.050	-	\$3.099	6.0%	\$3.800	13.5%
\$3.100	-	\$3.149	6.5%	\$3.850	14.0%
\$3.150	-	\$3.199	7.0%	\$3.900	14.5%

For every \$0.05 increase in the HDF price, the fuel surcharge will increase by 0.5%.

## NEW FUEL SURCHARGE BASE - MILEAGE

ITEM 400

HDF		FSC		HDF	FSC
\$0.000	-	\$2.499	\$0.000	\$3.200	\$0.300
\$2.500	-	\$2.549	\$0.020	\$3.250	\$0.320
\$2.550	-	\$2.599	\$0.040	\$3.300	\$0.340
\$2.600	-	\$2.649	\$0.060	\$3.350	\$0.360
\$2.650	-	\$2.699	\$0.080	\$3.400	\$0.380
\$2.700	-	\$2.749	\$0.100	\$3.450	\$0.400
\$2.750	-	\$2.799	\$0.120	\$3.500	\$0.420
\$2.800	-	\$2.849	\$0.140	\$3.550	\$0.440
\$2.850	-	\$2.899	\$0.160	\$3.600	\$0.460
\$2.900	-	\$2.949	\$0.180	\$3.650	\$0.480
\$2.950	-	\$2.999	\$0.200	\$3.700	\$0.500
\$3.000	-	\$3.049	\$0.220	\$3.750	\$0.520
\$3.050	-	\$3.099	\$0.240	\$3.800	\$0.540
\$3.100	-	\$3.149	\$0.260	\$3.850	\$0.560
\$3.150	-	\$3.199	\$0.280	\$3.900	\$0.580

For every \$0.05 increase in the HDF price, the fuel surcharge will increase by \$0.02 per mile.