

PADUCAH & LOUISVILLE RAILWAY, INC.



FREIGHT TARIFF PAL 7500

**RATES, RULES AND REGULATIONS
GOVERNING APPLICATION
OF
FUEL RECOVERY SURCHARGE**

FUEL RECOVERY SURCHARGE TARIFF

Except where expressly provided to the contrary, rates and provisions contained herein also apply on intrastate traffic.

ISSUED: January 25, 2005

EFFECTIVE: April 1, 2005

ISSUED BY

Dave B. Goewert, AVP Marketing & Sales

Paducah & Louisville Railway, Inc.

1500 Kentucky Avenue

Paducah, KY 42003

FREIGHT TARIFF PAL 7500

RULES AND OTHER GOVERNING PROVISIONS RULES AND REGULATIONS - GENERAL	SURCHARGES																																																																														
<p>ITEM 10</p> <p style="text-align: center;">SUPPLEMENTS AND REISSUES</p> <p>When reference is made in this tariff, or supplements, to other publications for rates or other information, it includes "Supplements thereto or successive issues thereof."</p> <p>Where reference is made in this tariff to items, it includes "reissues" of such items.</p>	<p>ITEM 100</p> <p style="text-align: center;">MERCHANDISE FUEL RECOVERY SURCHARGE</p> <p>In the event that the average price of West Texas Intermediate Crude Oil (as set forth below, the "WTI Average Price"), calculated monthly based on prices published in the Wall Street Journal, exceeds \$23.00 per barrel, PAL will have the right to apply a fuel surcharge to line-haul freight charges referencing or subject to this Tariff. If this right is exercised, the fuel surcharge shall be applied to the line-haul freight charge for each shipment having a bill of lading dated on or after the 1st day of the second calendar month following the calendar month of a given WTI Average Price calculation.</p> <p>The fuel surcharge will be 0.4% of the line-haul freight charge for every \$1.00 per barrel, or portion thereof, by which the WTI Average Price exceeds \$23.00. The WTI Average Price for a given calendar month will be determined by adding the daily West Texas Intermediate Crude Oil prices published in the Wall Street Journal during a calendar month, and dividing the result by the number of days so published. The result will be rounded to the nearest cent. If the Wall Street Journal ceases publication of the price of West Texas Intermediate Crude Oil, PAL will employ a suitable substitute source of price or measure. The following schedule reflects the applicable fuel surcharges within the WTI Average Price ranges noted below:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="text-align: center;">WTI Average Price Per Barrel</th> <th style="text-align: center;">Fuel Surcharge</th> <th style="text-align: center;">WTI Average Price Per Barrel</th> <th style="text-align: center;">Fuel Surcharge</th> </tr> <tr> <th style="text-align: center;"><u>Between</u></th> <th style="text-align: center;"><u>And</u></th> <th style="text-align: center;"><u>Percentage</u></th> <th style="text-align: center;"><u>Percentage</u></th> </tr> </thead> <tbody> <tr><td>\$23.00</td><td>- Below</td><td>0.0%</td><td>\$36.01 - \$37.00</td><td>5.6%</td></tr> <tr><td>\$23.01</td><td>- \$24.00</td><td>0.4%</td><td>\$37.01 - \$38.00</td><td>6.0%</td></tr> <tr><td>\$24.01</td><td>- \$25.00</td><td>0.8%</td><td>\$38.01 - \$39.00</td><td>6.4%</td></tr> <tr><td>\$25.01</td><td>- \$26.00</td><td>1.2%</td><td>\$39.01 - \$40.00</td><td>6.8%</td></tr> <tr><td>\$26.01</td><td>- \$27.00</td><td>1.6%</td><td>\$40.01 - \$41.00</td><td>7.2%</td></tr> <tr><td>\$27.01</td><td>- \$28.00</td><td>2.0%</td><td>\$41.01 - \$42.00</td><td>7.6%</td></tr> <tr><td>\$28.01</td><td>- \$29.00</td><td>2.4%</td><td>\$42.01 - \$43.00</td><td>8.0%</td></tr> <tr><td>\$29.01</td><td>- \$30.00</td><td>2.8%</td><td>\$43.01 - \$44.00</td><td>8.4%</td></tr> <tr><td>\$30.01</td><td>- \$31.00</td><td>3.2%</td><td>\$44.01 - \$45.00</td><td>8.8%</td></tr> <tr><td>\$31.01</td><td>- \$32.00</td><td>3.6%</td><td>\$45.01 - \$46.00</td><td>9.2%</td></tr> <tr><td>\$32.01</td><td>- \$33.00</td><td>4.0%</td><td>\$46.01 - \$47.00</td><td>9.6%</td></tr> <tr><td>\$33.01</td><td>- \$34.00</td><td>4.4%</td><td>\$47.01 - \$48.00</td><td>10.0%</td></tr> <tr><td>\$34.01</td><td>- \$35.00</td><td>4.8%</td><td>\$48.01 - \$49.00</td><td>10.4%</td></tr> <tr><td>\$35.01</td><td>- \$36.00</td><td>5.2%</td><td>\$49.01 - \$50.00</td><td>10.8%</td></tr> </tbody> </table>	WTI Average Price Per Barrel	Fuel Surcharge	WTI Average Price Per Barrel	Fuel Surcharge	<u>Between</u>	<u>And</u>	<u>Percentage</u>	<u>Percentage</u>	\$23.00	- Below	0.0%	\$36.01 - \$37.00	5.6%	\$23.01	- \$24.00	0.4%	\$37.01 - \$38.00	6.0%	\$24.01	- \$25.00	0.8%	\$38.01 - \$39.00	6.4%	\$25.01	- \$26.00	1.2%	\$39.01 - \$40.00	6.8%	\$26.01	- \$27.00	1.6%	\$40.01 - \$41.00	7.2%	\$27.01	- \$28.00	2.0%	\$41.01 - \$42.00	7.6%	\$28.01	- \$29.00	2.4%	\$42.01 - \$43.00	8.0%	\$29.01	- \$30.00	2.8%	\$43.01 - \$44.00	8.4%	\$30.01	- \$31.00	3.2%	\$44.01 - \$45.00	8.8%	\$31.01	- \$32.00	3.6%	\$45.01 - \$46.00	9.2%	\$32.01	- \$33.00	4.0%	\$46.01 - \$47.00	9.6%	\$33.01	- \$34.00	4.4%	\$47.01 - \$48.00	10.0%	\$34.01	- \$35.00	4.8%	\$48.01 - \$49.00	10.4%	\$35.01	- \$36.00	5.2%	\$49.01 - \$50.00	10.8%
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<p>ITEM 15</p> <p style="text-align: center;">METHOD OF CANCELING ITEMS</p> <p>As this tariff is supplemented, numbered items with letter suffixes cancel correspondingly numbered items in the original tariff, or in a prior supplement. Letter suffixes will be used in alphabetical sequence starting with A. Example: Item 100-A cancels Item 100 and Item 300-B cancels Item 300-A in a prior supplement, which, in turn, canceled Item 300.</p>	<p>No less than 20 days prior notice will be provided of the application of, or of any changes in, the fuel surcharge. Notice will be published on PAL's web page at www.palr.com. Upon written request, the foregoing notice will be provided by other appropriate electronic or facsimile means. All such requests should be directed to dbgoewer@palr.com. In no case will a line-haul freight charge be reduced as a result of the application of this Item, nor will the application of the fuel surcharge be retroactive.</p>																																																																														
<p>For explanation of terms and explanation of abbreviations and reference marks, see last page of tariff.</p>																																																																															