



Norfolk Southern Corporation
Three Commercial Place
Norfolk, VA 23510

David T. Lawson
Vice President
Coal Marketing

October 12, 2017

Dear NS Coal Supply Chain Partner:

As a courtesy, this notice is provided to remind you of Section 25.2 of the NS Coal, Coke, and Iron Ore Conditions of Carriage #2-P, reproduced below. Section 25.2 allows NS to assess charges on cars that fail to meet minimum loading weights ("Under-Load Charges"). Please note that, effective January 1, 2018, NS will begin assessing Under-Load Charges pursuant to Section 25.2. This does not represent a change in the terms and conditions of service applicable to you. Thank you for your business.

Section 25.2 Loading & Minimum Loading Weights

The minimum carload weight for all coal loaded on NS shall be the CTMS calculated maximum load weight for that car at the time of loading. Cars not loaded to the maximum allowable load weight shall be subject to under-load charges, as follows:

Minimum weights required for coal car loading shall be 95% of the CTMS maximum load weight per car from non-batch weigh loading facilities and 98% of the CTMS maximum load weight per car from batch weigh loading facilities. Determination of whether a specific shipper meets the minimum weights shall be based on an average for each calendar quarter, for each separate loading facility and shall be calculated by dividing the weight actually loaded in cars (the numerator) by the total CTMS maximum load weight of those same cars shipped (the denominator) and comparing the resultant percentage to the required minimum of either 95% or 98% as the case may be.

For all cars loaded with Commodities other than coal, the minimum carload weight shall be 95% of the UMLER car capacity.

Where actual loadings from an origin to a destination in a calendar quarter fail to meet the specified minimum weights, the shipper shall be billed for and agrees to pay an under-load charge on each ton short of the minimum. In the absence of specific contract language outlining the charges for under-loading, the under-load charge shall be \$5.00 per NT on each net ton short of the minimum loading weight.

A first failure to meet minimum loading requirements in a quarter will trigger a warning letter to be sent by NS to the shipper advising shipper of the under-loading result by loadout name and number and will include the specific shipments involved and the actual delinquent minimum weight percentage achieved for that quarter. For all subsequent under-loading failures in a calendar quarter the under-load charge, will be applied and billed to shipper, by NS, as noted above. NS will continue to assess under-loading charges without sending a new warning letter until no under-loading charges have accrued at that loadout for six (6) consecutive calendar quarters. After no under-loading charges have accrued at that loadout for six (6) consecutive calendar quarters, NS will issue a new warning letter for the first subsequent quarterly loading failure prior to billing for under-loading charges pursuant to the terms above.

Sincerely,

David T. Lawson
Vice President Coal Marketing
Norfolk Southern Corporation