

RAILROAD COMPANIES - CLASS 1

2018

ANNUAL REPORT

FOR

Registered Name of Business on file with Commission

BNSF Railway Company dba:

Official Mailing Address

2301 Lou Menk Drive

Certificate Number

600-015-676

City

Ft. Worth

State

TX

ZIP Code

76131

Official Email Address

natasha.gregg@bnsf.com

'X' if any information listed above has been updated

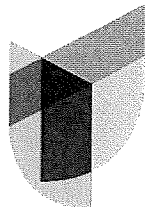
Report Year Ended: December 31, 2018

Inquiries concerning this Annual Report should be addressed to:

Name:	Michael D. Gahwiler		
Title:	General Director of Tax		
Address:	2301 Lou Menk Drive		
City:	Ft. Worth		
State:	TX	Zip Code:	76131
Telephone:	817-352-3407		
Email:	michael.gahwiler@bnsf.com		

SUBMIT TO:

<https://www.utc.wa.gov/docs/Pages/ElectronicFiling.aspx>



UTC

Washington Utilities
and Transportation
Commission

REPORT MUST BE RECEIVED NO LATER THAN: May 1, 2019

Please refer to the Instructions for Completing the Annual Report on Page 2

INSTRUCTIONS FOR ANNUAL REPORT COMPLETION

Commission Authority

The purpose of this form is to collect financial and operational information from railroad companies regulated by the Washington Utilities and Transportation Commission (UTC). The UTC's authority for requiring this report is found in RCW 81.04.080. This report is a non-confidential public use form.

Certification

An authorized officer, partner or owner must sign the Annual Report Certification. Unsigned reports are considered incomplete and may be subject to penalties.

Regulatory Fees

Regulatory fees are set by UTC order A-140166.

Deadlines and Penalties

All railroad companies regulated by the UTC are required to complete this form, including all schedules. **Failure to properly complete all schedules will result in the report being considered incomplete and subject to penalties.** Completed forms AND regulatory fee payments must be received by the UTC no later than May 1. Failure to file a complete annual report by the deadline will result in a financial penalty of \$250 if filed between 1 and 30 days late, \$500 if filed between 31 and 60 days late, and \$1,000 if filed between 61 and 90 days late. Failure to file a complete report within 90 days may result in additional penalties.

In addition to the above statutory penalty, failure to pay the regulatory fees by the above deadline will result in a 2 percent penalty on the regulatory fee amount due and a 1 percent monthly interest charge on the unpaid balance of the regulatory fee amount due.

Extension Requests

You may file a written request for an extension to file the completed annual report; however, **the UTC will not extend the deadline for paying regulatory fees.** Extension requests must be filed with the commission by April 15th, must state a valid reason explaining why the extension is needed, and must identify a date by which the report will be filed with the UTC. Even if your request is approved, you will still be liable for penalties and interest payments if you fail to pay your regulatory fees by May 1. Extension requests can be filed online at:

<http://www.utc.wa.gov/docs/Pages/ElectronicFiling.aspx>

Completing Information

- **Do NOT leave numeric fields blank** or it will be considered incomplete. For non-applicable numeric fields, enter zero.

- Non-applicable text fields, and those where the "X if same as" option is selected, may be left blank.

No longer operating in Washington

You may cancel your registration or permit by using the Voluntary Cancellation Form available at:

<http://www.utc.wa.gov/regulatedIndustries/transportation/householdGoods/Pages/default.aspx>

Confidential Status

Companies regulated under RCW Title 81, including railroad companies, are not permitted to file annual reports as confidential. The commission will reject and delete, return, or destroy annual reports submitted as confidential. The submitter is required to resubmit a complete and correct form by the due date; if the rejection is made after the due date, the report will be considered late and subject to penalty.

Electronic Filing and Payment

To obtain an electronic copy of this template, submit a report online or pay your regulatory fees online visit:

<https://www.utc.wa.gov/regulatedIndustries/Pages/annualReports.aspx>

Staff Contact

Benjamin Sharbono at (360) 664-1157 or Benjamin.Sharbono@utc.wa.gov

TTY Toll-Free phone number 1-800-416-5289

PREPARER INFORMATION

'X' if Preparer same as Cover:

Person who prepared report:

Natasha Gregg

Title:

Manager of Taxes

If different; Company Name:

BNSF Railway Company

Telephone:

817-352-3429

Principal Business Address:

2301 Lou Menk Drive

City:

Ft. Worth

State:

TX

Zip:

76131

COMPANY INFORMATION

Washington Unified Business Identifier (UBI) No.:

600-015-676

(If you do not know your UBI No. please contact Business Licensing Service at 1-800-451-7985 or BLS@dor.wa.gov)

Business Structure (please enter the appropriate designation):

Corporation

Please enter: Individual/Sole Proprietor, Partnership, LP, LLP, LLC, Corporation, or Nonprofit Corporation

Date First Organized or Regulated:

1/12/1961

'X' if Address is same as Cover:

Business Physical Address:

City:

State:

Zip:

Telephone:

Fax:

Business Website:

Accounting Records Information

'X' if Address is same as above:

Location of Books & Records:

City:

State:

Zip:

Method of Accounting:

Accrual

Please enter: Cash or Accrual

CERTIFICATION

I have examined this report and to the best of my knowledge and belief, all statements of fact are accurate, the financial statements, for the period from January 1, 2018 to December 31, 2018, contained in this report, correctly reflect the business affairs of the respondent.

(PLEASE VERIFY THAT ALL SCHEDULES ARE ACCURATE AND COMPLETE BEFORE SIGNING)

You may electronically sign by typing your signature in block.

X

Mark E. Liniado

Date

4/30/19

Name

Mark E. Liniado

Title

VP & General Tax Council

Company

BNSF Railway Company

Street Address

2301 Lou Menk Drive

City

Ft. Worth

State

TX

Zip Code

76131

Telephone

817-352-3400

Email

mark.liniado@bnsf.com

Ownership

Instructions:

- List the first name (or Company Name), last name (or State of Registration), title, and percentage of all owners **holding directly or indirectly five percent or greater** of voting securities of the Company.
- Group all owners holding less than five percent as 'Other Owners'.
- **Represent Percentage in decimal form (e.g., 80% is entered as 0.8000).**

First Name (or Company)	Last Name (or State Registered)	Title	Ownership
Berkshire Hathaway Inc.		DE	1.0000
Sum of <u>Other Owner's</u> holding less than 0.0500 (5%) individually			

Industry Specific Information

Additional Required Documents

Surface Transportation Board Form R-1 Submitted? Please type Yes or No:

Reminder: The Surface Transportation Board Form R-1 (including statistics specific to the state of Washington) must be submitted with this annual report to the Commission per WAC 480-62-300.

SCHEDULE 1

Gross Intrastate Operating Revenues

(For Year Ended December 31, 2018)

Instructions

- Complete this Balance Sheet in accordance with the end-of-year ledger figures as reflected in company books of account.
- Do NOT leave fields blank. If a field is not applicable, enter zero.
- Schedule 2B, Line 27 must equal Schedule 2C, Line 28

Freight	\$108,804,865
Switching	\$901,858
Demurrage	\$2,261,469
Incidental	\$4,382,620
Trackage Rights or Leases	
Sound Transit	\$0
Amtrak	\$0
Other Railroad	\$0
Miscellaneous	
Engineering Services	\$0
Track maintenance, repairs or upgrades	\$0
Car repair	\$0
Engine repair	\$0
Signal maintenance, repairs or upgrades	\$0
Car storage	\$0
Other Railroad	\$13,352,262
Income from joint facilities, companies or operations	\$47,149
Passenger	\$0
TOTAL (Enter on Line 1 of Regulatory Fee Calculation Schedule)	\$129,750,223

SCHEDULE 2 Washington Rail Yards

Instructions

- List all rail yards that your company operates in the state of Washington.
- Add additional lines as necessary to list all facilities and sites. Excess Lines do not need completed.
- **DEFINITION:** A rail yard is an area where a railroad operates a complex set of tracks, or a network of tracks or a system of tracks used to store, switch, consolidate, maintain and otherwise operate multiple railroad trains, locomotives, and cars.

Line No.	Address	City	Zip Code
1-1	2601 20th Avenue West	Seattle	98199
1-2	4920 Railroad Avenue	Pasco	99301
1-3	1200 D St.	Bellingham	98225
1-4	3429 15th Street	Everett	98201
1-5	2900 Bond Street	Everett	98201
1-6	1315 A Street SE	Auburn	98002
1-7	1301 E 21 Street	Tacoma	98421
1-8	1721 East Diagonal Rd SE	Olympia	98501
1-9	210 Railroad Avenue	Centralia	98531
1-10	115 Industrial Way	Longview	98632
1-11	3001 NE Talley Way	Kelso	98626
1-12	7600 S 190th Street	Kent	98032
1-13	Cowlitz Garden Road	Rocky Point	98626
1-14	T18, 1050 SW Spokane St	Seattle	98134
1-15	2601 20th Avenue West	Seattle	98199
1-16	303 S Jackson Street	Seattle	98104
1-17	44 South Hanford	Seattle	98134
1-18	12400 51st Place South	Seattle	98178
1-19	2340 SW Spokane Street	Seattle	98106
1-20	100 W Clark St	Connell	99326
1-21	10054 RD S NW	Quincy	98848
1-22	3808 E Olympic Avenue	Spokane Valley	99216
1-23	5601 West 26th Street	Wishram	98673
1-24	4 East Arlington	Yakima	98901
1-25	1310 West 11th Street	Vancouver	98660
1-26	4510 East Wisconsin Avenue	Spokane	99212
1-27	221 W 1st Avenue	Spokane	99201
1-28	3200 E Olympic Ave	Spokane	99217
1-29	409 South Columbia Avenue	Wenatchee	98801
1-30	250 Spruce Street	Burlington	98233

1-31	605 Puyallup Ave	Tacoma	98421
1-32	105 Railroad Ave	Sumas	98295
1-33	4375 Hall Rd	Blaine	98230
1-34	725 E. College Way	Mt. Vernon	98273
1-35	1825 West Marine View Drive	Everett	98201

SCHEDULE 3
Additional Filing Requirement
Companies Transporting Crude Oil by Rail

Provide statement or attachments containing the following:

1	All insurance carried by the railroad company that covers any losses resulting from a reasonable worst case spill.	NOTE: See 10K Attached
<i>Note: Information for the railroads total Commercial Liability Insurance amount or the coverage amount and type of insurance referenced in the Form 10-K, Annual Report to Section 13 or 15(d) of the Securities Exchange Act of 1934, identified in Item 1A. Risk Factors and Part II, if different.</i>		
2	Coverage amounts, limitations, and other conditions of the insurance identified in Line 1.	NOTE: See 10K Attached
<i>Note: Information for the railroads total Commercial Liability Insurance amount or the coverage amount and type of insurance referenced in the Form 10-K, Annual Report to Section 13 or 15(d) of the Securities Exchange Act of 1934, identified in Item 1A. Risk Factors and Part II, if different.</i>		
3	Information sufficient to demonstrate the railroad company's ability to pay the costs to clean up a reasonable worst case spill of oil as defined below.	NOTE: See attached Statement
<i>Note: Cash on hand or account designated to pay for environmental incidents and mitigation.</i>		

Calculating reasonable worst case spill

4	Average and largest crude oil train, as measured in barrels, operating in Washington by the railroad company in the previous calendar year.	Average:	70108.00	barrels
		Largest:	80095.00	barrels
5	Maximum Operating Speed ¹			50
6	Reasonable Worst Case % ²			59.17%
7	Costs for reasonable worst case spill ³			\$796,210,651

Conversion: 1 barrel = 42 gallons

Notes:

¹Maximum Operating Speed means the top speed tht the railroad company operates any train carrying crude oil in the state

²Formula: $[\text{Maximum Operating Speed}/65]^2$

³Cost Formula: \$16,800 per barrel of the largest train of crude oil multiplied by Reasonable Worst Case %

STATEMENT: BNSF disagrees with the formula used to calculate the "Costs for reasonable worst case spill" in line 7. We believe the arbitrary amount to be significantly higher than what a reasonable cost would be to clean up a worst case spill.

REGULATORY FEE CALCULATION SCHEDULE

Due May 1, 2019

Company Name

BNSF Railway Company

Annual Report Year

2018

In accordance with RCW 81.24.010 "Regulatory Fees", the Commission requires Railroad (Class I) companies to file reports of gross intrastate operating revenue and pay fees on that revenue. Every company subject to regulation shall file with the Commission a statement under oath showing its gross intrastate operating revenue from operations for the preceding year and pay to the Commission a fee as instructed below.

Regulatory Fee Calculations

1 Total Gross Intrastate Operating Revenue** (From Schedule 1)		\$129,750,223.10
2 If Line 1 under \$1300, enter \$0, otherwise enter Line 1 x 2.5%	\$129,750,223.10 x 0.025	\$3,243,755.58

Agency Use Only 001-111-0268-210-01

Penalty & Interest Calculations

3 Penalties on Regulatory Fees being paid after May 1			
3a Amount from Line 2 x 2%	[] x	0.02	[]
4 Interest on Regulatory Fees being paid after May 31			
4a Amount from Line 2 x Number of month past May 31 x 1%	[] x	[] x	0.01 []
5 Total Penalties and Interest owed (Line 3a plus Line 4a)			[]
6 Total Regulatory, Penalties and Interest Fees Due (Line 3 plus Line 6)			\$3,243,755.58

****Note:** Gross Washington intrastate operating revenue (regulated revenue) is defined as all revenue collected for the year from rates under tariffs, and contracts on file at the Washington Utilities and Transportation Commission. The revenues subject to the commission's regulatory fees are gross Washington intrastate operating revenues before deductions for uncollectibles, unbillables or the payment of state and federal taxes, i.e. "Gross Revenues" means before any deductions from Revenue Receipts.

COMMISSION USE ONLY

Reception #:		001-111-0268-210-01	(1.5%)
Reference:	AR2018	001-111-0268-214-01	(1.0%)
Payment ID:		001-111-0268-210-11	
		001-111-0268-032-20	
		Total Paid:	

BNSF Railway Company
2018 Washington UTC Annual Report

The Consolidated Balance Sheet on page 6 of the attached Form 10K Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 demonstrates that BNSF Railway Company has sufficient current assets to cover the cost associated with a “reasonable worse case spill” as defined in the Washington Utilities and Transportation Commission’s 2018 Annual Report for Class 1 Railroad Companies.