



October 31, 2014

Hon. Daniel R. Elliott III
Chairman
Surface Transportation Board
395 E Street, SW
Washington, DC 20423

Hon. Deb Miller
Vice Chairman
Surface Transportation Board
395 E Street, SW
Washington, DC 20423

Hon. Ann D. Begeman
Board Member
Surface Transportation Board
395 E Street, SW
Washington, DC 20423

Dear Chairman Elliott, Vice Chairman Miller, and Board Member Begeman:

We write to express our strong support for the petition that the Western Coal Traffic League filed on October 22, 2014, asking the Board to require BNSF Railway Company to file a coal service recovery plan. In addition, the Board's prompt action through its order of October 24, 2014 is greatly appreciated.

We know and deeply appreciate that the Board has been monitoring the service problems experienced by BNSF and other carriers, holding hearings, providing assistance to customers, facilitating their interactions with their carriers, and most recently requiring the submission of weekly performance data from all the carriers as well as additional information from Canadian Pacific. We also recognize that the Board's jurisdiction and oversight over rail transportation extends to all commodities and not just coal. Nonetheless, we believe that the situation with coal service has already reached dangerous levels and is on the verge of become dire, not only imposing additional costs on consumers generally, but also posing a threat to the reliable operation of the power grid this winter.

As the Coal League's petition explains, coal deliveries have fallen short by millions of tons in the past year, and the unavailability of coal generation has cost consumers and coal producers hundreds of millions of dollars. The most immediate concern is that winter is coming soon, and utilities have been unable to build up their coal stockpiles in anticipation of higher winter loads and the usually brief coal delivery problems that can accompany major snow storms. Last year, stockpiles provided some protection from disruption, and that protection proved critical when cold weather disrupted gas deliveries.

The situation is far worse this year. Stockpiles are low, and rail service is more vulnerable. Despite pledges from carriers that no plant will run out of coal, some utilities have already had to shut generating units down in order to build up stockpiles and avoid greater problems later on. Last winter demonstrated that coal generation was essential for maintaining the operation of the grid, and the country should not be exposed to greater risks this winter.

The most ominous development noted in the petition is BNSF's apparent intention to remove approximately sixty coal trainsets from service, which BNSF has now clarified as thirty sets, but which is still significant. This action raises a serious question as to whether coal service is being

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reduced at a time when it is most needed. Such action should not occur without some measure of active Board oversight and underscores the necessity for the Board to require BNSF to submit a coal service recovery plan that will provide utilities with tangible assurance that the situation is being addressed in an appropriate manner. We also are very concerned about service levels on other coal carriers and, as circumstances require, the Board may need to expand the scope of the requested relief to cover other carriers.

Accordingly, we urge the Board to grant the petition and require BNSF to submit a coal service recovery plan for the Board's review.

Sincerely yours,




Susan N. Kelly
President and Chief Executive Officer
American Public Power Association



Thomas R. Kuhn
President
Edison Electric Institute



Charles D. Gray
Executive Director
National Association of
Regulatory Utility Commissioners



Jo Ann Emerson
Chief Executive Officer
National Rural Electric
Cooperative Association