



National Rural Electric
Cooperative Association
A Touchstone Energy® Cooperative

April 9, 2014

BY E-FILING

Cynthia T. Brown
Chief, Section of Administration
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

Re: STB Docket No. EP 724, United States Rail Service Issues

Dear Ms. Brown:

The American Public Power Association (APPA), the Edison Electric Institute (EEI), the National Rural Electric Cooperative Association (NRECA), and the National Association of Regulatory Utility Commissioners (NARUC) commend the Surface Transportation Board for initiating this proceeding. We further urge the Board to continue monitoring the situation actively, and to require BNSF, Canadian Pacific, and other affected railroads to provide full and accurate information regarding the status of their operations and their efforts to improve service. We also urge the Board to monitor the railroads to ensure that service to critical sectors, such as electrical generation, is not further undermined by the railroad service problems.

APPA, EEI, and NRECA represent virtually all of the U.S. utilities (governmental, consumer-owned, and investor-owned) that provide electric power to the nation's businesses, farmers, public infrastructure, and individual consumers. NARUC represents state public utility commissions serving all states and territories that regulate the retail rates and services of many electric utilities.

Coal remains a critical baseload fuel for the United States' electricity supply; approximately 39% of the megawatt hours of electricity generated in the United States in 2013 was coal-fired. Most of that coal moves from mine origin to power plant destination by railroad. Electric generators using coal are painfully aware that rail service for the transportation of coal in the western portion of the country has deteriorated over the past six to ten months. During some of the periods of extreme cold experienced this winter, utilities in many parts of the country saw their coal inventories dwindle to unprecedented low levels. Some utility generators have had to

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curtail their coal generation in an attempt to preserve their stockpiles, costing utilities tens of millions of dollars. Most of that burden will ultimately be borne by individual consumers. Furthermore, continuation of these problems through the summer peak season could jeopardize the ability of some utilities to supply electric power in a reliable manner.

We recognize that the carriers and the Board have made some data concerning railroad service metrics available to the public and that BNSF has been taking steps to address its difficulties. However, we and our members do not believe that there has been full transparency as to the performance shortages, the underlying causes of those problems, the current level of service and related deficits, exactly what measures are being taken to address those problems, and the means by which the effectiveness of those measures may be evaluated and monitored. We ask the Board to address all of these areas.

Unfortunately, this is not the first time that electric utilities and their customers have been harmed by railroad service problems. Electric utilities are subject to demanding federal reliability standards, which include planning and operating to meet contingencies without loss of load, and are subject to regulatory penalties if they fail to comply with those standards or merely lack documentation of their compliance. As the electricity sector is dependent upon adequate railroad service, it is imperative that the railroads meet their responsibility to operate in a reliable manner.

Sincerely,



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
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