

April 9, 2014

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BY E-FILING

Ms. Cynthia Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423-0111

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Office of Proceedings
April 9, 2014
Part of
Public Record

Re: Docket No. EP 724, United States Rail Service Issues
Comments of Xcel Energy

Dear Ms. Brown,

This letter provides Xcel Energy's written comments in the above-referenced matter. We request that they be included in the docket record.

Xcel Energy is a combination gas and electric utility serving 3.5 million electric and just under 2 million natural gas customers in seven states. The undersigned serves as Vice President, Commercial Operations, and one of my responsibilities is to ensure that our electric generating stations have sufficient fuel needed to maintain reliable electric service to our customers.

Although we remain concerned about coal deliveries to all of the Xcel Energy coal-fired plants, our comments are focused on rail service impacts on PRB deliveries to the Sherco generating station located roughly 45 miles north and west of Minneapolis, Minnesota. This station has three large coal fired generators, totaling just under 2,500 MWs of generating capacity. It is the third largest plant in the upper Midwest, and the tenth largest plant in the country. Sherco is critical to maintaining reliability to the millions of customers we serve in Minnesota, North Dakota, South Dakota, Wisconsin, and Michigan, as it produces 24% of the electricity consumed by our customers in these states.

This plant has single carrier rail service from the BNSF. Beginning in October of 2013, we saw a decline in coal deliveries to the Sherco station, receiving only 66% of the tons we nominated for delivery that month. This performance has continued through the first three months of 2014, with only 53% of the tons we nominated actually being delivered. The average train cycle times for deliveries of Wyoming and Montana PRB coal to the Sherco plant increased by over 50% for the first quarter 2014 versus first quarter 2013.

From December 1st, 2013 to April 1st, 2014, the Sherco inventory has decreased by 771,000 tons, equal to 29 days of maximum burn. Substituting natural gas for coal is not an option at this station. It is essential that we restore our inventory to safe levels before the summer.

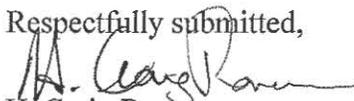
Last month we asked the Midwest ISO to conduct an assessment of the potential operational impacts of not having the three Sherco units available. As expected, MISO was very concerned

about the possibility of the station running out of fuel. Simply put, the Sherco generating station is critical to the reliability of the northern region of MISO.

We have reached out to senior management at the BNSF and believe that they are actively working to improve rail service to Xcel Energy. We have seen some improvements and expect to see more improvements in April and May.

In conclusion, Xcel Energy asks that the Board consider the significance of the Sherco generating station and the importance of reliable electric service to our customers in Minnesota, North Dakota, South Dakota, Wisconsin and Michigan.

Respectfully submitted,



H. Craig Romer

Director Fuel Supply Operations

for Thomas A. Imbler

Vice President, Commercial Operations