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April 18, 2016

## **COMMENT TO THE STB RE: ENERGY RESOURCES**

The purpose of this Comment is to provide background information and general context so that the Board, when conducting its analysis, can fully understand certain concerns and adequately consider the proposed Great Lakes Basin Rail line's effect on Energy Resources.

On April 13, 2016, United Steel Workers, Local 12775 President, Mr. Vernon Beck, addressed the federal Surface Transportation Board at the Wanatah Scoping Meeting regarding his concerns about the negative effects that construction of the proposed rail line embankments would have on surface water drainage resulting in decreased water levels in the Kankakee River. This issue was of grave import to Mr. Beck as union president of the NIPSCO workers at the Wheatfield power plant. Lowering of the water level of the Kankakee River could cause plant shutdowns and increased utility bills for 3.8 million NiSource consumers.

Mr. Beck represents the union workers at the Northern Indiana Public Service Company (or NIPSCO for short), a regulated utility which provides the entire geographic area with natural gas and electricity. Headquartered in Merrillville (Lake County) Indiana, NIPSCO is one of seven energy distribution companies of a parent company called NiSource Inc. According to its website, NIPSCO serves more than 821,000 natural gas customers and over 468,000 electric customers located across the northern third of the state of Indiana.

NIPSCO is the largest natural gas distribution company in the state of Indiana and

the second largest electric distribution company in the state. Its parent company, NiSource, serves 3.8 million natural gas and electric customers across seven different states. NIPSCO generates \$100s of millions of dollars in revenue every year and employs as many as 5,000 employees at its various locations.

NIPSCO's R.M. Schahfer Generating Station is located in Wheatfield, Indiana (located down Rt. 49, approximately ten miles south of Kouts, Indiana). Named for Rolland Schahfer, the head of the engineering department who worked for NIPSCO from 1924 to 1967, the R.M. Schahfer power plant is a sprawling, coal-fired electric generating plant whose 500 foot stacks towering high over the cornfields are visible from miles away. The Wheatfield facility is currently capable of producing up to 1.780 megawatts of electricity, enough to power 1.6 million typical American homes. The Wheatfield facility is the largest of NIPSCO's three operating coal-fired power stations and is currently serving 457,000 residential, commercial and industrial customers.

Between 1990 and 2011, NIPSCO has spent \$375 million installing scrubbers and other emission controls, reducing greenhouse gas emissions by over 70%. NIPSCO is currently in the process of spending another \$800 million on projects to lower emissions even further. These processes inevitably require water.

NIPSCO utilizes a cooling tower water treatment process at its Wheatfield power plant and the water for that cooling process comes straight from the Kankakee River. Currently, the NIPSCO Schahfer Generating Station utilizes four cooling towers, capable of recirculating over 650,000 gallons per minute of water. In recent years, during the warm weather, summer months, when the level of the Kankakee River drops, NIPSCO has experienced some difficulties in acquiring sufficient water for its processes.

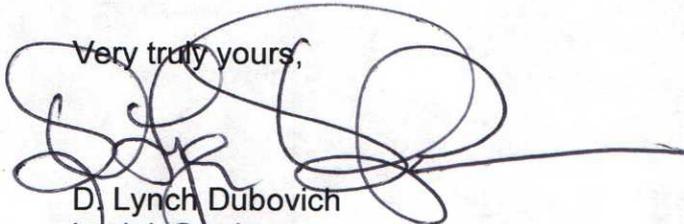
If the surface water in Porter County south of Division Road cannot maintain its natural flow uninhibited to the river (because of the rail line abutments creating a dam and trapping the surface water), the power plant will shut down, at least temporarily. NIPSCO will then have no alternative but to purchase electricity on the open market at a much higher cost. That higher cost will be passed along to NIPSCO's 468,000 residential, commercial, and industrial customers.

The NIPSCO Schahfer Generating Station provides jobs and prosperity to our part of the state. Do not let the proposed Great Lakes Basin Railroad sabotage our energy industry. Do not unfairly favor one industry at the expense of another.

Culverts collapse and clog. The best laid drainage plans are known to go awry. The only way to minimize, mitigate and completely avoid this problem is to choose an alternate route for the proposed railroad south of the Kankakee River watershed.

Thank you again for your kind consideration of this very important issue.

Very truly yours,

A handwritten signature in black ink, appearing to read 'D. Lynch Dubovich', with a long horizontal line extending to the right.

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