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## SURFACE TRANSPORTATION BOARD

Docket No. EP 724 (Sub-No. 4)

## UNITED STATES RAIL SERVICE ISSUES—PERFORMANCE DATA REPORTING

Summary of Ex Parte Meeting between the Western Coal Traffic League (WCTL) and  
Surface Transportation Board (STB) StaffHeld November 19, 2015 2:05 PM – 2:55 PM

WCTL Attendees: Kathy Benham (Minnesota Power), Daniel Jaffe (Slover & Loftus LLP), Matt Liner (Austin Energy), Eric Peterson (Kansas City Power & Light), Katherine Waring (Slover & Loftus LLP), Bette Whalen (Lower Colorado River Authority)

STB Attendees: Michael Higgins, Stephanie Lyons, Ronald Molteni, Lisa Novins, Nderim Rudi, Jason Wolfe

The discussion began with WCTL stating that WCTL believed that the parties had thoroughly fleshed out the issues in their written comments. WCTL explained that its members consume coal from the Powder River Basin (PRB) and are served primarily by Union Pacific Railroad Company and BNSF Railway Company (BNSF). WCTL explained that the service performance data are useful and important to its members and other shipper groups. WCTL stated that, during the recent service crisis, BNSF stated that it would not allow its utility customers to run out of coal and that they were serving customers equally; however, coal shippers lacked awareness as to their service in relation to other businesses. The service performance data allows comparisons of how a specific shipper is being treated relative to the rest of the industry and other traffic segments. The data can be plotted over time to allow for trend/spike analysis.

One WCTL member explained that baseload utilities have very specific coal needs and demands. Her utility had to shut down four units for three months over the summer of 2014. Anecdotally, it appeared that oil trains were being accorded priority over other traffic. The service data helps the utilities see if problems are occurring and if they are being treated fairly. The member noted that utilities are still answering questions from regulators about how they responded to the rail service crisis and generating unit shutdowns.

STB Staff inquired about the additional data metrics WCTL requested in its comments, including weekly average “cycle times” over 10 key coal corridors. Staff’s questions focused on the identification of key corridors and the determination of their endpoints. Staff also questioned whether a “corridor” approach could be applied to railroads serving eastern and central coal regions. WCTL noted that there is a mix of traffic on every corridor. WCTL stated that coal corridors have clear segments where traffic flows and breaks and that the major coal corridors could be clearly identified. Recognizing whether a change in service along a corridor is a long term problem or a spike helps utilities focus on planning; there can be significant differences across the system. To select corridors, railroads could self-identify, or WCTL could identify them.

STB Staff inquired if it would be fair to shippers if the railroads were allowed to define major corridors. WCTL responded that the railroads would likely be able to identify the major corridors.

Next, STB Staff asked WCTL to clarify how a “cycle time” measurement would apply to a segment, and whether a transit time metric would be more applicable. WCTL asserted that fluidity across a corridor is the goal and that there are several metrics, such as velocity, number of loadings, and parked trains, that could shed light on corridor fluidity. When asked about information derived from train speeds, WCTL responded that train speeds do not reflect stops, hold times, unload times, and other factors. Velocity is just one piece of the equation.

STB Staff asked WCTL to elaborate on its recommendation that the Board collect data on the weekly average number of coal sets in service. WCTL replied that combining the trains in service data with cycle time data provides a better picture of congestion. STB Staff asked about the utility of train sets in service data and how a railroad’s restrictions on shipper-provided equipment should be reported. WCTL responded that having data on train sets parked provides limited information, but having broader data can help distinguish between utility-specific issues and general trends. Restrictions on shipper-provided equipment could be reported by the railroads with a simple “yes” or “no,” but knowing that restrictions are in place helps utilities plan.

STB Staff asked whether railroads currently provide corridor information privately and as to any confidentiality concerns regarding corridor information. WCTL responded that, generally, railroads do not provide corridor information. Last year, however, some WCTL members received cycle times specific to their own facilities. Through that exchange, WCTL members learned that they measure cycle times differently than the railroads. WCTL stated that, generally, data on major corridors would not create confidentiality concerns.

STB Staff asked WCTL to discuss its recommendation for reporting of restrictions on the availability of crews and locomotives for coal service. WCTL responded that this metric would supplement the reporting of trains being held for power. WCTL emphasized the need to know whether power or crews are being limited for coal service. The railroads can respond “yes” or “no.” STB Staff asked whether this proposed request could be framed as weekly reporting on the size of a railroad’s locomotive fleet or crew base serving the coal franchise. WCTL responded that those alternative metrics would potentially be viable.

WCTL noted that utilities have extensive federal and state reporting requirements. Some are ongoing (such as weekly reports regarding fuel supply and recovery plans) and others are event-triggered. Railroad service issues that impact WCTL members’ businesses arise every several years: 2013-14 service problems; 2011-12 Mississippi River flooding; 2005 PRB Joint Line derailments. Regular data reporting helps maintain grid reliability and leads to better forecasting and mitigation plans.

STB Staff asked about Request No. 4 in the Notice of Proposed Rulemaking (NPR). WCTL filed comments asserting that dwell times should be reported at the 10 largest interchange locations. STB Staff asked how WCTL would derive the 10 largest and whether dwell should be reported on an aggregate basis or broken out by type of unit train. WCTL stated that the 10 largest interchange locations would be determined by the total number of trains being interchanged at a location regardless of commodity, and that WCTL seeks information about all trains, not just unit trains, in order to ascertain a system average. WCTL would request reporting of system-wide average dwell times for interchange of empty private coal trains.

STB Staff asked about Request No. 5 in the NPR, noting that WCTL commented that the “Other” category was vague. WCTL stated that “Other” is becoming the default. Because the “Other” category does not identify what is causing trains to be held, without more specific information, the category does not provide insight into what causes service performance issues.

Finally, regarding Request No. 9 in the NPR, STB Staff noted that WCTL asked the Board to return to the coal loadings metric from the October 2014 interim data order in Docket No. EP 724 (Sub-No. 3) which sought data on a railroad’s performance versus its service plan. STB Staff stated that it encountered difficulty due to differences in planning between various railroads. WCTL responded by stating that shippers submit monthly nominations for trains loaded at each mine source. The railroads and coal mines agree to that plan—which constitutes a kind of month-to-month plan. WCTL believes that a total loadings metric lacks meaning without the surrounding context of the planned loadings. A railroad serving the PRB must have an outlook for what a shipper will load in a coming week. Although western coal volume is considerably larger than eastern coal volume, WCTL believes that eastern railroads have a similar process.

STB Staff invited WCTL to make any closing remarks. WCTL concluded by stating that the service data is important and that the Board’s effort to collect data is better than railroad self-reporting because it adds authentication.