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Chairman, President and Chief Executive Officer

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

RE: *United States Rail Service Issues*, EP No. 724

Dear Ms. Brown:

My name is Ben Fowke and I am Chairman, President and CEO of Xcel Energy, a combination gas and electric utility serving 3.5 million electric and just under 2 million gas customers in seven states. As you would expect, one of my primary responsibilities is to ensure the delivery of reliable gas and electric service to our customers.

I am writing to you to express my concern over the ability of the BNSF to deliver sufficient coal to our electric generating stations. The coal-fired Sherco generating station, located 45 miles north and west of Minneapolis, is critical to maintaining the electric reliability of the upper Mid-West. As the third largest plant in the region, its nearly 2,500 MWs of generating capacity can serve 1.9 million homes. Literally 24% of the electricity consumed by our customers in Minnesota, North Dakota, South Dakota, Wisconsin, and Michigan is normally produced at this facility.

This plant has single carrier rail service from the BNSF. Beginning in October 2013, we saw greatly reduced deliveries. In the 4th quarter of 2013, the BNSF delivered 486,000 tons below our monthly minimum ratable deliveries. Since the beginning of 2014, the BNSF has continued to deliver less than the minimum ratable deliveries, resulting in a delivery deficit of 325,000 tons of coal. Combined, this has resulted in a total delivery deficit of 811,000 tons or an amount equivalent to 40 days of normal coal consumption. Substituting natural gas at this generating station is not an option so when we run out of coal, the plant can't produce electricity. And we are right in the middle of summer when air-conditioning load creates our highest levels of electric demand.

We are aware that following the hearing in April, the STB has been paying close attention to rail service issues and has taken certain steps with the purpose of focusing railroad attention on particular areas of concern. In April, the Board required a specific plan for moving large quantities of fertilizer into the market during the planting season. At the end of June, the STB again ordered detailed reporting on past due grain orders to be submitted on a weekly basis, into the near term. If the Board is going to continue to issue reporting or other requirements benefiting specific commodity groups, then circumstances certainly warrant formal STB focus on the measures the railroads are taking to reduce the backlog of coal deliveries that have the potential to impact the reliability of our electric grid.

Respectfully,



Ben Fowke
Chairman, President and CEO