



30 west superior street / duluth, minnesota 55802 / 218-355-3480

234383

Allan S. Rudeck, Jr.
Vice President – MP Strategy & Planning

ENTERED
Office of Proceedings
June 10, 2013
Part of
Public Record

May 31, 2013

Chairman Daniel R. Elliott, III
Surface Transportation Board
395 E Street SW
Washington, DC 20423

Re: Docket No. FD 30186, Tongue River Railroad, Inc. – Rail Construction and Operation – in Custer, Powder River and Rosebud Counties, Montana

Dear Chairman Elliott:

I am writing to express Minnesota Power's support for the transportation merits of the supplemental application submitted by the Tongue River Railroad Company in December 2012 for the construction of a 42-mile rail line in Powder River and Rosebud Counties, Montana called the Colstrip Alignment. Minnesota Power has strongly supported the Tongue River rail project for a number of years.

Minnesota Power, a division of ALLETE, Inc., is a utility company based in Duluth, Minnesota. Minnesota Power provides electricity in a 26,000-square-mile service area in northeastern Minnesota; we serve about 144,000 residential and commercial customers, 16 municipalities and some of the nation's largest industrial customers. These large industrial customers depend on reliable and affordable baseload electric energy. As the Vice President of Strategy & Planning my responsibilities include the acquisition of coal for our company's generating units in Minnesota.

Minnesota Power burns coal at its five thermal Energy Centers: a) Boswell Energy Center, located in Cohasset, Minnesota, b) Hibbard Renewable Energy Center, located in Duluth, Minnesota, c) Laskin Energy Center, located between Aurora and Hoyt Lakes, Minnesota, d) Rapids Energy Center, located in Grand Rapids, Minnesota, and e) Taconite Harbor Energy Center, located in Schroeder, Minnesota. We ship about 5.5 million tons of coal annually to our coal fired plants, all of it coming from the Powder River Basin of Montana and Wyoming.

Based on the information provided in Tongue River Railroad Company's December 2012 supplemental application, the rail construction project is the only viable transportation alternative that would allow access to the significant reserves of Otter Creek and Ashland area coal. The Colstrip Alignment would provide an economically and operationally sound rail route for the transportation of Otter Creek and Ashland area coal to our facilities.

Minnesota Power urges the Board to seriously consider the positive merits of the Tongue River Railroad Company's supplemental application.

Sincerely,

Allan S. Rudeck, Jr.
Vice President – Minnesota Power Strategy & Planning