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224293

January 6, 2009

VIA E-FILING

The Honorable Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20423

**Re: STB Docket NOR 42111, *Oklahoma Gas & Electric Company*
*v. Union Pacific Railroad Company***

Dear Ms. Quinlan:

On November 7, 2008, Oklahoma Gas & Electric Company ("OG&E") filed a complaint regarding the reasonableness of rail transportation rates established by the Union Pacific Railroad Company ("UP") for coal transportation from the Southern Powder River Basin to the OG&E Muskogee Generating Station ("Muskogee Station") in Fort Gibson, Oklahoma. The complaint covered the UP common carrier rates for shipments in OG&E-supplied railcars set forth in Exhibit B to the complaint, as well as any "changes and successors to the rates," and "all future iterations, issuances, or forms of common carrier tariffs, price documents, rates," and other terms "applicable to the transportation by UP of coal to the Muskogee Station." Paragraph 19 of Complaint.

In a letter included in Exhibit B to the complaint, UP stated that it would publish the rates and terms set out in Exhibit B in a new pricing document "on or before December 11, 2008," but also stated that UP "may publish rates that are different . . . subject to notice requirements." On December 15, 2008 UP issued UP tariff UP-4221, Item 5400, which contained common carrier rates for OG&E-supplied railcars that were different than the rates set forth in Exhibit B. Subsequently, on December 28, 2008, UP informed OG&E that it had issued tariff UP-4221, item 5400-A, in which UP restated the revised rates for transportation in OG&E-supplied railcars, and established new common carrier rates applicable to transportation from the same mine origins to the Muskogee Station in UP-owned or leased rail cars. A copy of the latest version of UP-4221, Item 5400-A is attached for the Board's convenience.

Pursuant to paragraph 19 of the complaint, all of the common carrier rates and service terms established by UP in UP-4221 applicable to the movement of coal from the PRB to the Muskogee Station are covered by the complaint and subject to the Board's jurisdiction in this

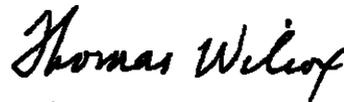
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proceeding. Like the rates initially provided to OG&E on October 31, 2008, these revised and new rates issued by UP are unreasonable under the Board's standards. In accordance with the parties' joint stipulation, OG&E will submit evidence to the Board regarding the reasonable level of rates in both UP-supplied and OG&E-supplied rail cars in this case.

Please feel free to contact me with any questions.

Sincerely,



Thomas W Wilcox

Attachment

cc: Michael L. Rosenthal, Esq. (counsel for Defendant)
Patrick D Shore, Esq
Allen F. Gould

 UP 4221	Item: 5400-A Item Desc: OK, Ft Gibson, Muskogee Generating Station
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**Unit Coal Trains from SPRB to Muskogee
Generating Station, Ft Gibson, OK**

11	Coal
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GENERAL RULE ITEM 5400

Rates in this item are not subject to fuel surcharge

The Maximum Volume that Railroad will transport under this item is 7,000,000 Net Tons per calendar year

Not more than 9 Trainsets may be placed in service for transporting Coal to Destination

- 1 Mileage allowance payment on private equipment will not apply.
- 2 Free time to unload will be 6 hour(s)
- 3 Applies if minimum tender per shipment is 130 Car(s) and maximum not greater than 135 Car(s)

APPLICATION AND RATES

- 1 Rates are in U.S. dollars Per Net Ton.
Subject to a minimum lading weight of 118 tons per car.
Applies in shipper owned or leased equipment.

STCC: 11 Coal

To: OK, FT GIBSON

From: WY, ANTELOPE MINE	18.75	UP
WY, BELLE AYSR MINE	19.67	UP
WY, BLACK THUNDER MINE	19.17	UP
WY, BLACK THUNDER SOUTH	19.05	UP
WY, CABALLO MINE	19.70	UP
WY, CABALLO ROJO MINE	19.64	UP
WY, COAL CREEK MINE	19.49	UP
WY, CORDERO MINE	19.53	UP
WY, JACOBS RANCH MINE	19.17	UP
WY, N ANTELOPE MINE	18.81	UP
WY, ROCHELLE MINE	18.81	UP
WY, THUNDER WEST MINE	19.23	UP

Issued: December 28, 2008
 Effective: January 1, 2009
 Expiration: December 31, 2025

UP 4221

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APPLICATION AND RATES		
1	Rates are in U S dollars Per Net Ton Subject to a minimum lading weight of 118 tons per car Applies in railroad owned or leased equipment.	
STCC: 11 Coal		
To: OK, FT GIBSON		
From		
WY, ANTELOPE MINE	21 11	UP
WY, BELLE AYSR MINE	22 14	UP
WY, BLACK THUNDER MINE	21 58	UP
WY, BLACK THUNDER SOUTH	21 45	UP
WY, CABALLO MINE	22 17	UP
WY, CABALLO ROJO MINE	22 12	UP
WY, COAL CREEK MINE	21 94	UP
WY, CORDERO MINE	21 99	UP
WY, JACOBS RANCH MINE	21 58	UP
WY, N ANTELOPE MINE	21 18	UP
WY, ROCHELLE MINE	21 18	UP
WY, THUNDER WEST MINE	21 65	UP