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January 12, 2006

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VIA HAND DELIVERY

Hon. Vernon Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Room 711
Washington, DC 20423

ENTERED
Office of Proceedings

JAN 12 2006

Part of
Public Record

Re: Docket No. 42095, Kansas City Power & Light
Company v. Union Pacific Railroad Company

Dear Secretary Williams:

By Complaint filed and served on October 12, 2005 in the referenced docket, Kansas City Power & Light Company ("KCPL") initiated a challenge to the reasonableness of common carrier rates established by Defendant Union Pacific Railroad Company ("UP") under 49 U.S.C. §§10701(d)(1) and 10702. The challenged rates were published in Item 4140 of UP's Unit Train Coal Common Carrier Circular 111.

The iteration of Item 4140 which was referred to in KCPL's Complaint was Item 4140-C. Subsequently, UP published an updated version denominated Item 4140-D, which was described in Paragraph 13 of UP's Answer in this docket. Item 4140-C and Item 4140-D each established rates that only applied to coal shipments tendered in KCPL-supplied trainsets of aluminum railcars.

On or about January 6, 2006, in response to a request by KCPL that the terms of Item 4140 be amended to also allow KCPL to tender shipments in trainsets of steel railcars, UP published Item 4140-E of Circular 111, a copy of which accompanies this letter as Attachment A. Item 4140-E republished the rates and terms of Item 4140-D applicable to shipments in aluminum cars without change, and established new, higher common carrier rates for application to shipments tendered in steel railcars.

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Paragraph 28 of KCPL's original Complaint in this proceeding provides as follows:

"This Complaint shall be deemed to apply to and likewise challenge any changes to the provisions of Exhibit A [Circular 111], Exhibit B [Item 4140-C], or any tariffs or circulars referenced therein (including new or replacement rates, charges or service terms), as the same may be applied by UP to coal transportation service to the Montrose Station."

The purpose of this letter is to confirm that the rates and terms of Item 4140-E should be deemed subject to KCPL's original Complaint, and that evidence demonstrating that such rates and terms are unreasonable and unlawful under the governing statutes likewise shall be submitted by KCPL in this proceeding.

KCPL respectfully requests that this letter and Attachment A be accepted for inclusion in the record of this proceeding.

Respectfully submitted,



Kelvin J. Dowd
An Attorney for
Kansas City Power & Light Company

KJD:jml
Enclosures

cc: Linda J. Morgan, Esq. (by hand delivery)
Michael L. Rosenthal, Esq. (by hand delivery)
Louise A. Rinn, Esq. (by telefax)
William G. Riggins, Esq. (by telefax)
Mr. David M. Konschnik (by hand delivery)

| | |
|--|--|
|  <p>UP 111</p> | <p>Item: 4140-E Itm Desc: MO, Ladue (Henry County) Montrose Generating Station</p> |
| <p>Unit Coal Trains from SPRB to Montrose Generating Station, Ladue (Henry County), MO</p> | |
| <p>For billing purposes use the following rate authority: UP 111-4140-E</p> | |
| <p>STCC/GROUP</p> | <p>STCC</p> |
| <p>11</p> | <p>Coal</p> |
| <p>Prices are subject to Fuel surcharges.</p> <p>GENERAL RULE ITEM 4140 (Revision: A) Railroad's Cycle Time Estimate in Shipper Owned or Leased Equipment is 138 hours, subject to terms and conditions in Item 300 of Circular UP 111.</p> <p>Minimum Volume Requirement for Option 2 rates is the greater of either 95 percent of Net Tons received at Montrose Generating Station, Ladue (Henry County), MO from Campbell and Converse Counties in Wyoming via all modes of transportation, or 1,600,000 Net Tons annually. The maximum volume that Railroad will transport under this item is 2,100,000 Net Tons annually.</p> | |
| <p>GENERAL RATE APPLICATION RULES FOR ITEM 4140-E</p> | |
| <ol style="list-style-type: none"> 1. Free time to unload will be 6 hour(s). 2. Mileage allowance payment on private equipment will not apply. 3. ^C Price applies in shipper owned or leased equipment. | |
| <p style="text-align: center;">APPLICATION AND RATES</p> | |
| <p>COLUMN</p> | <p>RATE APPLICATION RULES</p> |
| <p>2.</p> | <p>Rates are in U.S. dollars Per Net Ton.</p> |
| <p>3.</p> | <p>Subject to a minimum lading weight of 117 tons per car. Price applies if minimum tender per shipment is 12,285 Net Ton(s).</p> |
| <p>3.</p> | <p>Rates are in U.S. dollars Per Net Ton. Subject to a minimum lading weight of 117 tons per car. Price applies if minimum tender per shipment is 12,285 Net Ton(s).</p> |
| <p>4.</p> | <p>Rates are in U.S. dollars Per Net Ton. Subject to a minimum lading weight of 117 tons per car. Price applies if minimum tender per shipment is 12,285 Net Ton(s).</p> |
| <p>Issued: January 6, 2006 Effective: January 1, 2006 Expiration: December 31, 2008</p> | <p style="text-align: center;">UP 111</p> <p style="text-align: right;">Page: 1 of 2 Item: 4140-E Continued on next page</p> |

| | Col. 2 Option 2 Year 1 | Col. 3 Option 2 Year 2 | Col. 4 Option 2 Year 3 | Route Code/Group |
|---|------------------------------|---|------------------------------|---------------------|
| STCC: 11 Coal From: ENERGY SPRB MINES GROUP To: MO, LADUE | Exp. 12/31/2006 14.26 | Eff. 01/01/2007 Exp. 12/31/2007 14.83 | Eff. 01/01/2008 15.42 | UP |

| APPLICATION AND RATES | | | | |
|---|---|---|------------------------------|---------------------|
| COLUMN | RATE APPLICATION RULES | | | |
| 2. | Rates are in U.S. dollars Per Net Ton. Subject to a minimum lading weight of 100 tons per car. Price applies if minimum tender per shipment is 11,000 Net Ton(s). | | | |
| 3. | Rates are in U.S. dollars Per Net Ton. Subject to a minimum lading weight of 100 tons per car. Price applies if minimum tender per shipment is 11,000 Net Ton(s). | | | |
| 4. | Rates are in U.S. dollars Per Net Ton. Subject to a minimum lading weight of 100 tons per car. Price applies if minimum tender per shipment is 11,000 Net Ton(s). | | | |
| | Col. 2 Option 2 Year 1 | Col. 3 Option 2 Year 2 | Col. 4 Option 2 Year 3 | Route Code/Group |
| STCC: 11 Coal From: ENERGY SPRB MINES GROUP To: MO, LADUE | A Exp. 12/31/2006 16.68 | A Eff. 01/01/2007 Exp. 12/31/2007 17.85 | A Eff. 01/01/2008 19.10 | UP |

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**APPENDIX A
ORIGIN AND DESTINATION GROUPS**

**GROUP NAME
LOCATIONS**

ENERGY SPRB MINES GROUP
WY, ANTELOPE MINE
WY, BELLE A YR MINE
WY, BLACK THUNDER MINE
WY, BLACK THUNDER SOUTH
WY, CABALLO MINE
WY, CABALLO ROJO MINE
WY, COAL CREEK MINE
WY, CORDERO MINE
WY, JACOBS RANCH MINE
WY, N ANTELOPE MINE
WY, ROCHELLE MINE

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