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BY HAND DELIVERY

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D. C. 20423

Office of the Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423



Re: Finance Docket No. 34839, Norfolk Southern Corporation and
Norfolk Southern Railway Company – Control and Consolidation
Exemption – Algers, Winslow and Western Railway Company

Dear Secretary Williams:

PSI Energy, Inc. (“PSI”) hereby joins the Indiana Southern Railroad, Inc. (“ISRR”) in requesting that the Board conduct oral argument with respect to the petition for exemption in the above-referenced proceeding.

On February 14, 2006, Norfolk Southern Railway Company (“NSR”) filed a petition for exemption from the prior approval requirements of 49 U.S.C. § 11323 for its acquisition of a 50 percent interest in the Algers, Winslow and Western Railway Company (“AWW”). Replies to the petition for exemption were filed by four parties: PSI, ISRR, Indianapolis Power and Light Company and Solar Sources Underground, L.L.C. All four parties opposed the petition unless the Board imposes a condition preserving existing intramodal rail competition by requiring NSR to grant trackage rights to ISRR to enable it to serve two coal mines presently served by the AWW. On March 24, 2006, ISRR requested the Board to hold oral argument in this proceeding given the important competitive concerns raised by the replies to the petition for exemption.

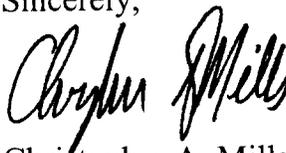
On January 27, 2006, NSR and its parent, Norfolk Southern Corporation (“NSC”) filed a motion for leave to amend the petition for exemption by adding NSC as a petitioner and to file a reply to the above-referenced replies to the petition for exemption. The Board granted NSR’s motion by decision served April 3, 2006. In a footnote to the decision the Board indicated that it would address ISRR’s request for oral argument by subsequent decision.

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This proceeding has an unusual procedural posture. NSR filed a petition for exemption rather than a control/merger application because it evidently believed there would be no opposition to the proposed transaction. The petition for exemption contains only skeletal information concerning the effects of the transaction on competition for the transportation of coal from the two AWW-served mines, and how NSR would integrate the AWW lines into its own operations. Competitive issues were raised for the first time in the replies to NSR's petition. In granting NS's subsequent motion for leave to file a reply to the replies, the Board directed NSR "to file any supplemental information regarding NSC's proposed acquisition of control by April 11, 2006." It is evident that NSR intends to file such supplemental information from its filing of a motion for protective order on April 3, 2006.

PSI respectfully submits that in these circumstances it would be inappropriate to give NS the last word on the competitive and operational issues raised by the replies, and that the parties who raised these issues should have an opportunity to respond to the NS reply allowed by the Board's April 3 decision which will constitute NS's first pleading dealing substantively with them. The opposing parties should be permitted to file a written response to that pleading, as NSR's "supplemental information" would have been submitted as a part of its case in chief under ordinary circumstances. In any event, the Board will benefit by conducting oral argument so that it will have a more complete record on the issues raised by the replies to NSR's petition for exemption.

Sincerely,



Christopher A. Mills
An Attorney for PSI Energy, Inc.

CAM:jml

cc: Parties of record