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April 12, 2006

Via E-Filing

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

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

Dear Secretary Williams:

Yesterday, the undersigned counsel for Indianapolis Power and Light Company (“IPL”) was served a copy of the reply filed by Norfolk Southern Corporation (“NSC”) and Norfolk Southern Railway Company (“NSR”) in this proceeding pursuant to the Board’s decision served on April 3, 2006. Despite expressly asking for and receiving permission from the Board to supplement its original Petition for Exemption to add NSC and to reply to the filings submitted by IPL and others opposing this transaction absent protective conditions, NSR (with NSC) has taken the liberty of styling the filing a “rebuttal.” This is an apparent attempt to elevate the original Petition to the equivalent of a formal application under 49 U.S.C. § 11323, which it clearly is not.

NSR’s and NSC’s reply dwarfs the original Petition for Exemption. In clear violation of the Board’s rules governing petitions for exemption under 49 U.S.C. §10502, the reply contains legal argument, evidence, and factual assertions that unquestionably could have and should have been included in the Petition. See 49 C.F.R. § 1121.3(a) (requiring a petitioning party to “provide its case-in-chief along with its supporting evidence, workpapers, and related documents at the time it files its petition”). Among other things, this new argument and evidence includes numerous assertions and conclusory statements regarding IPL’s potential coal sources, transportation options, and business decisions concerning IPL’s purchase and transportation of its coal supply. Reply at 2, 3, 12, 13, 23-24; Verified Statement of Doug Evans at 4-6.

The Honorable Vernon A. Williams

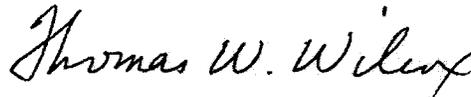
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The reply and the Petition for Exemption together constitute NSR's and NSC's true case-in-chief in this proceeding. IPL believes that under these circumstances the Board should on its own motion immediately establish a procedural schedule in this proceeding that at a minimum permits IPL and the other parties of record at least 20 days to respond to NSR's and NSC's filing. To not grant IPL and the other parties the right to respond would (1) undermine the Board's rules governing petitions for exemption; (2) be fundamentally unfair; and (3) leave the Board with a seriously deficient and one-sided record upon which to render a decision. Pending the issuance of a *sua sponte* order from the STB, IPL notifies the Board that it is in the process of preparing an appropriate filing that expands on the points raised in this letter that IPL intends to file in due course under the Board's procedural rules.

Please do not hesitate to contact the undersigned with any questions.

Sincerely,



Thomas W. Wilcox
*Counsel for Indianapolis Power and
Light Company*

cc: Parties of Record
Mr. David M. Konschnik (by hand)