

223958-LES

L I N C O L N E L E C T R I C S Y S T E M

October 30, 2008

The Honorable Anne K. Quinlan, Esq.
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

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Office of Proceedings

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Public Record



RE: STB Finance Docket No. 35081
Canadian Pacific Railway Company, et al. —Control—Dakota, Minnesota &
Eastern Railroad Corp., et al.

Dear Secretary Quinlan,

Lincoln Electric System (LES) wishes to express its support for the Arkansas Electric Cooperative Corporation's (AECC) Petition for Reconsideration in this matter. LES is a municipal electric utility serving the City of Lincoln, Nebraska, and the surrounding area

LES is a participant in several coal-fired generation facilities that receive coal from the Powder River Basin (PRB). Our area is primarily served by the Union Pacific and Burlington Northern Santa Fe railroads. Entry of a third rail carrier into the PRB market would provide substantial benefit to users of PRB coal. The region would benefit significantly from the increased competition and improved service that would result. It may also help to relieve congestion on some rail lines coming out of the PRB.

The Canadian Pacific Railway Company (CP) has made it clear that it is not committed to building the Dakota, Minnesota & Eastern (DME) line into the PRB. The AECC has submitted evidence showing that it would not be in Canadian Pacific's interest to do so. That does not, however, obviate the need for the line or the benefits that could be derived from a third line into the PRB. The DME acquired real estate for its proposed line and it should be preserved for use by another railroad that undertakes to build a third line in to the PRB.

The Surface Transportation Board cited increased competition as a benefit when it approved DME's application for authority to construct a new line. If CP acquires control of DME, it will have an anticompetitive effect as CP will not build the line. AECC has outline reasonable conditions for preserving the possibility that a new entity could build this needed line into the PRB with no harm to CP.

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LES respectfully urges the Board to grant AECC's Petition for Reconsideration.

Sincerely,

A handwritten signature in black ink that reads "Shelley Sahling-Zart". The signature is written in a cursive, flowing style.

Shelley Sahling-Zart
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CERTIFICATE OF SERVICE

I hereby certify that I have caused the foregoing letter supporting Arkansas Electric Cooperative Corporation's Petition for Reconsideration to be served by first-class mail, postage pre-paid, this 30th day of October, 2008, on all parties of record and the following persons specified in the Board's Decision dated December 27, 2007.

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