

Utility Update

Rail Energy Transportation Advisory Committee

April 20, 2022

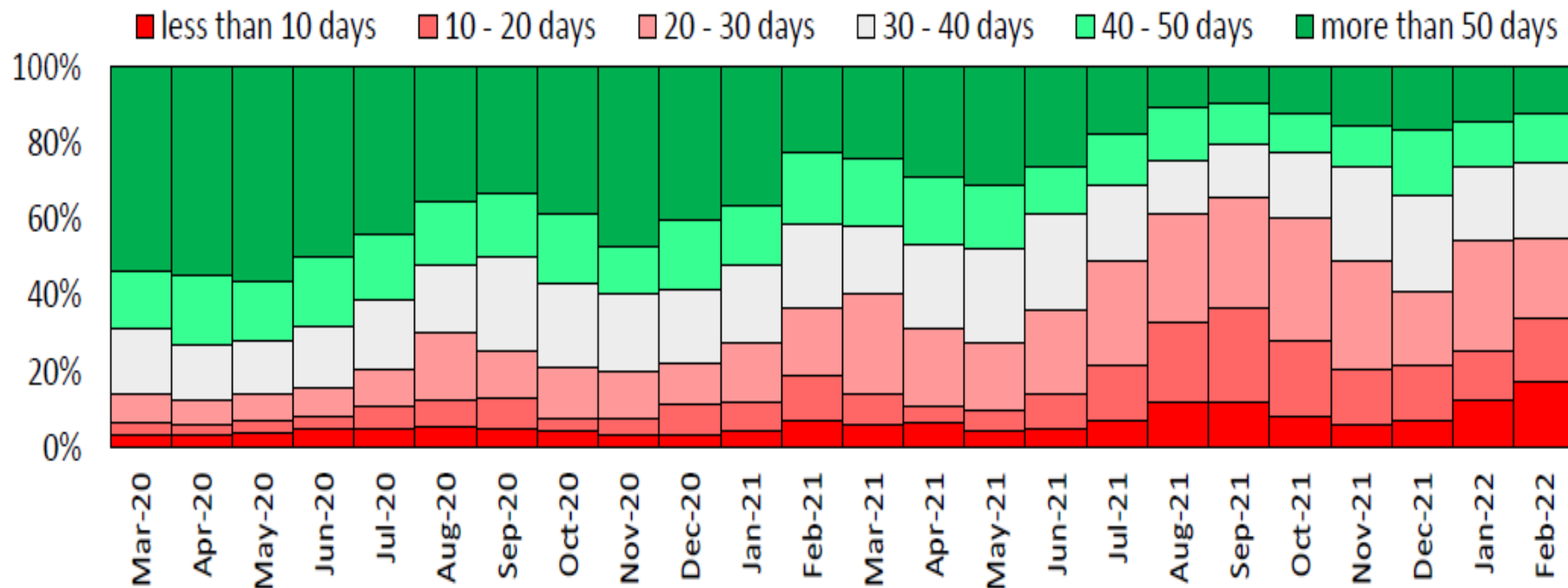
Utility Perspective

- ▶ Inventory Updates / Challenges
- ▶ Railroad Challenges / Affects
- ▶ On Time Performance Survey / Concerns

Inventory Challenges

- ▶ The percentage of Utilities with days of inventory with 30 days or less continues to grow.

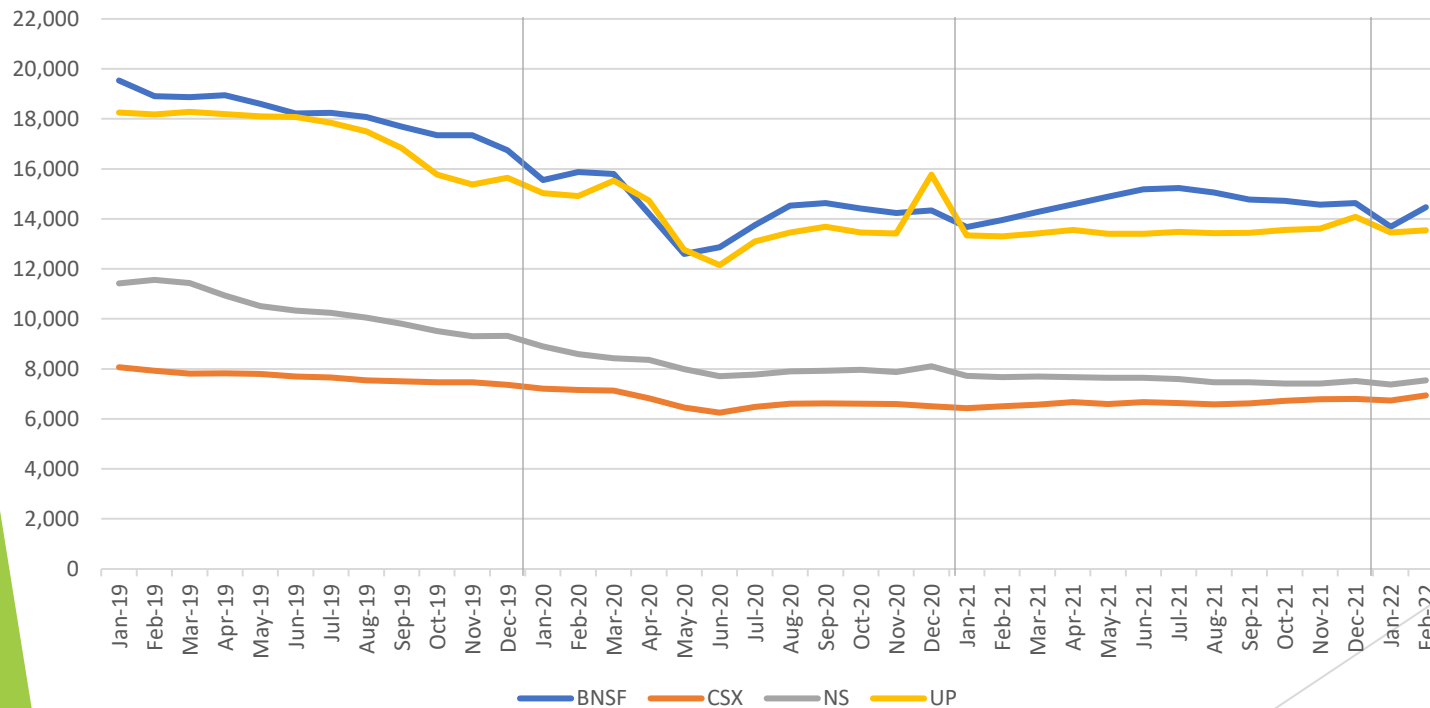
Distribution of plants by days of full-load burn - Total utilities



Railroad Challenges

- ▶ Hiring continues to remain relatively flat for Train and Engine employees

Monthly Number of Employees for Transportation- Train and Engine

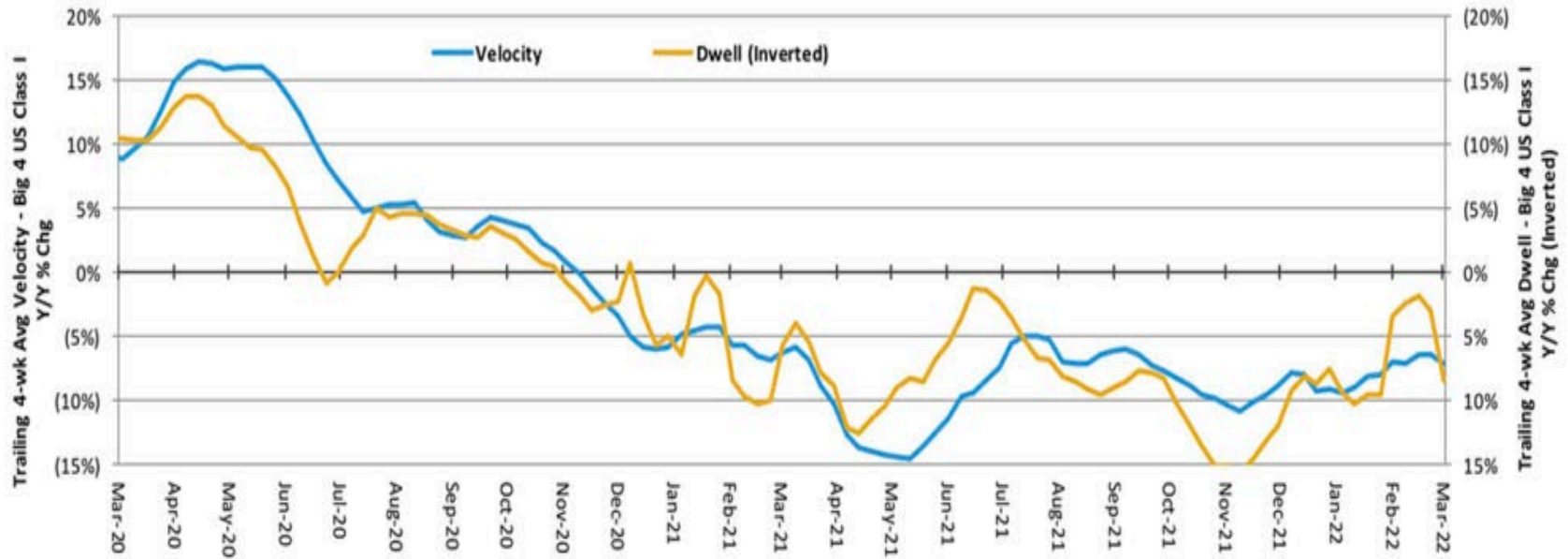


Sources

<https://www.stb.gov/reports-data/economic-data/>

Two-Year Trends Avg Train Velocity Four Class I Railroads

VELOCITY (Y/Y %) & DWELL (INVERTED Y/Y %) – BIG 4 U.S. RAILS



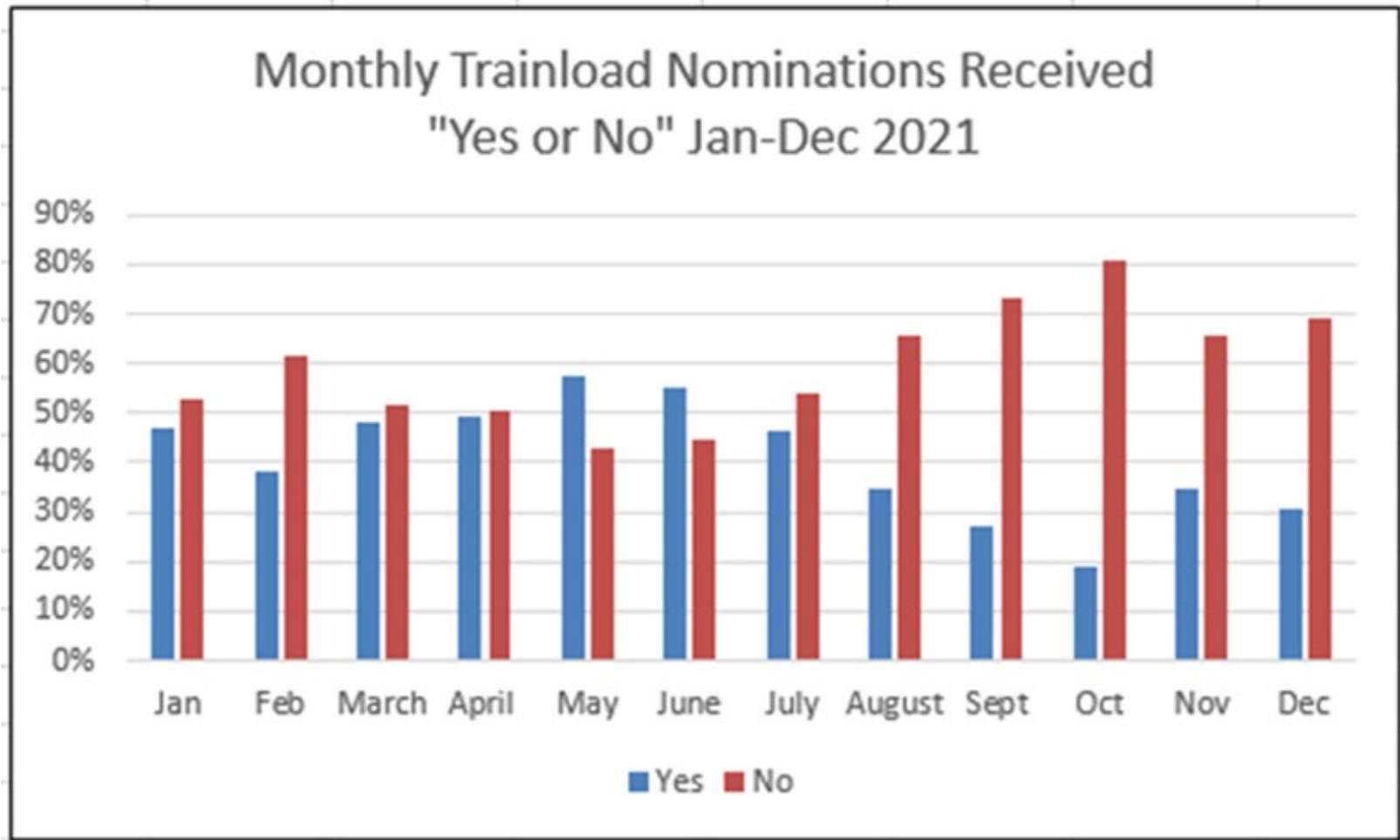
Susquehanna Financial Group

Decrease Velocity of 7% Y/Y. Terminal dwell up 8% on four week basis

NCTA/FRCA/NRECA On Time Performance Survey July-Dec 2021

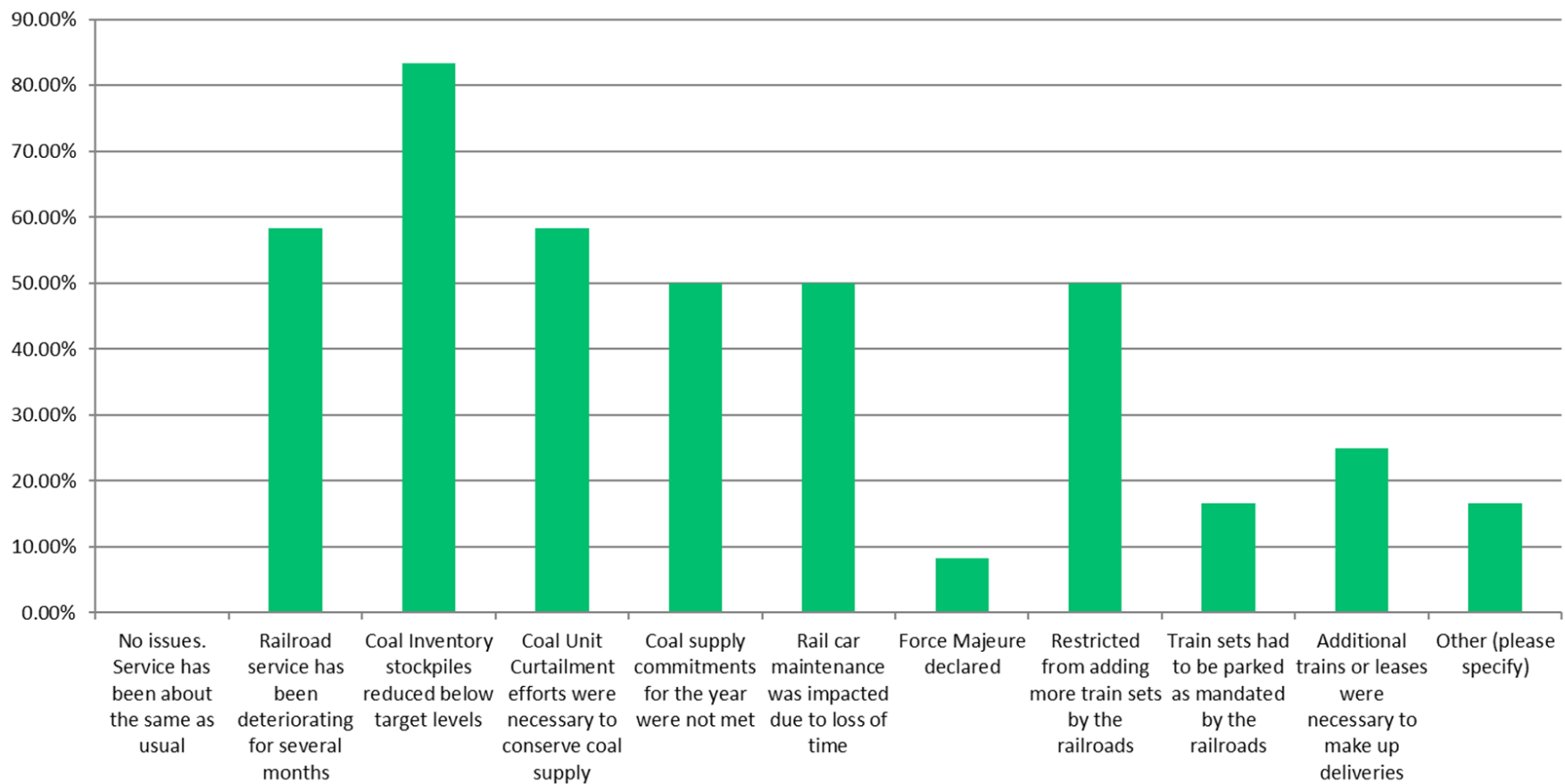
- ▶ NCTA/FRCA/NRECA: OTP Survey Data Collected since Aug 2019 to Dec 2021- 6 month periods
- ▶ 28 Plants Reported Shipper Perspective Railroad Performance Data
- ▶ 92% reported Rail Service Issues have impacted utility operations
- ▶ 60% reported Rail Service worse than it was in 2019 and 2020
- ▶ 64% reported modifying operations in 2021 due to Rail Service
- ▶ Railroads Serving Plants Reported:
 - ▶ BNSF, UPRR, NS, Multi-RR
- ▶ Four Coal Supply Regions - Mine Sources Reported:
 - ▶ SPRB, NPRB, Rockies, NAPP, ILB

Shipper Trainload Monthly Nominations Received Jan-Dec 2021



28 Plants responded how RR service issues have impacted operations

In what way have your operations been impacted by RR service issues?



Shipper Quotes and Concerns

- ▶ “...Railroads seem to be worried about velocity and reducing set count on their systems...”
- ▶ “... the railroad elected to park half of my rail fleet...”
- ▶ “Service issues related to locomotive power problems and lack of crews have been ongoing for several months”
- ▶ “Lack of crews may be the biggest issue, our railroad will leave an unloaded train on our site for up to 2-3 days until another set is unloaded, then they send a crew to double the trains and depart”
- ▶ “...our communication with the railroads was great. They were all forthcoming with their challenges...”
- ▶ “Communication (with the Railroads) was terrible”
- ▶ “Increased bunching of trains caused us to incur costs to add coal to our stockpile...”
- ▶ “All 4 major providers had issues with crews, power and communication in 2021...”
- ▶ “Reduction in employees that worked the 24 hour desks resulted in terrible communication and lack of crews kept trains sitting”

Questions / Discussion

