Utility Perspective

- Inventory Challenges
- Railroad Performance
Utility stockpiles have returned to normal ranges with some piles at lower than target levels

Utilities now relying on deliveries (just in time) versus burning off stockpiles

Total U.S. coal stockpiles continue to be at historically low levels... because of the seasonal draw-down of coal that usually takes place over the winter months when there is a greater demand for electricity generation,

- U.S. EIA Electricity Monthly Update report
Inventory Challenges

**CAPP: MONTHLY COAL STOCKS**

- **Coal Stock (mmt):** 0 to 30
- **5-Yr Avg. Coal Stocks:** Dashed red line
- **Coal Stocks:** Solid blue line
- **Dates:** Mar-14 to Mar-19

**NAPP: MONTHLY COAL STOCKS**

- **Coal Stock (mmt):** 0 to 30
- **5-Yr Avg. Coal Stocks:** Dashed red line
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- **Dates:** Mar-14 to Mar-19

Inventory Challenges

Inventory Challenges

Railroad Performance

- **BNSF and UP**
  - Historic flooding in the Midwest have cause several lines to be placed out of service
  - Force Majeure was declared
  - Expect shipments to return to normal in June
Railroad Performance

- **CSX**
  - Locomotive shortages affecting reliability
  - Labor (Train Crew) shortages
  - Turnover is impacting Communications
  - Turn/Cycle times have improved in most areas

- **NS**
  - Some impacts due to weather
  - Equipment and labor shortages
  - New Operating Plan has yielded better results recently
Questions