

Utility Update

Rail Energy Transportation Advisory Committee

May 15, 2019

Utility Perspective

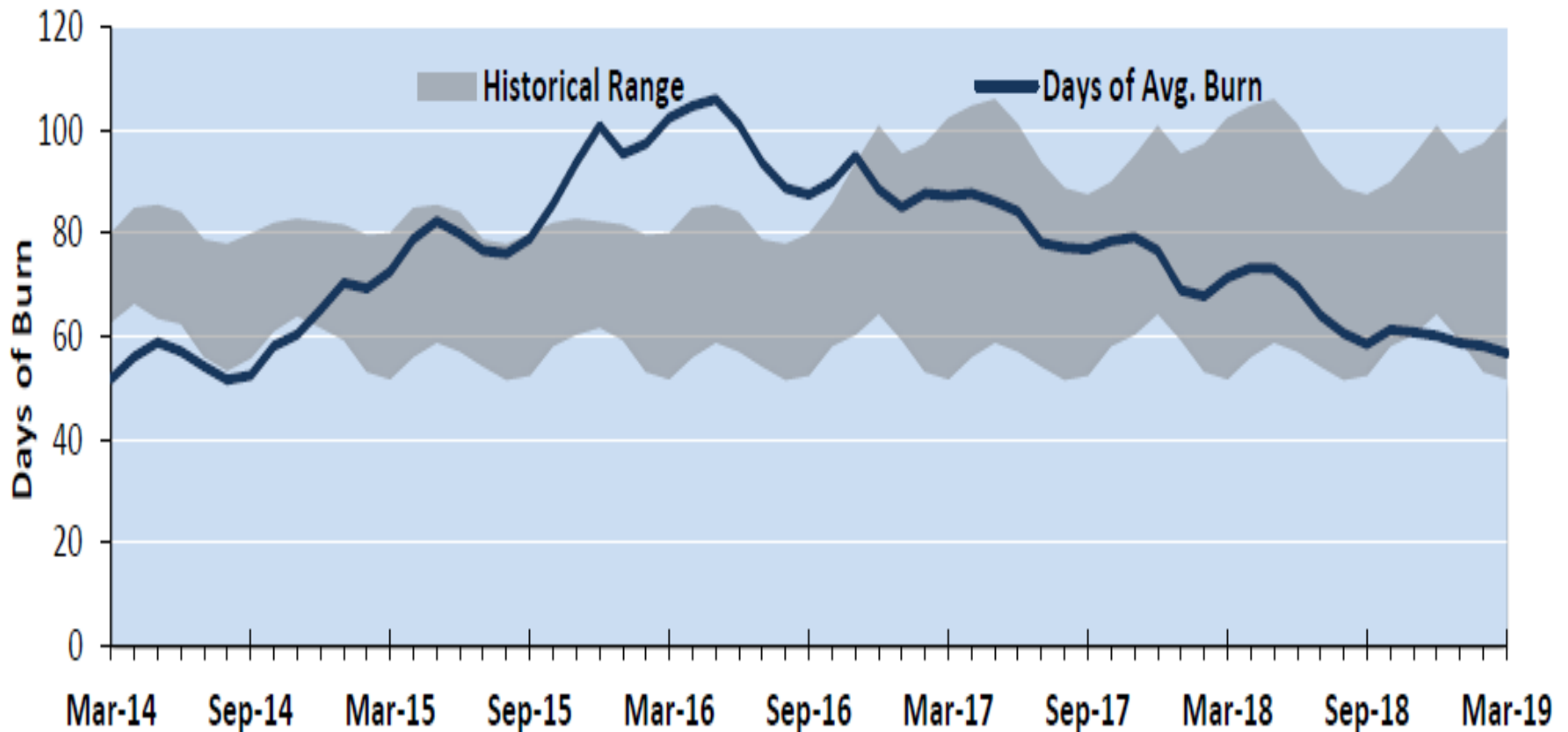
- * Inventory Challenges
- * Railroad Performance

Inventory Challenges

- * 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

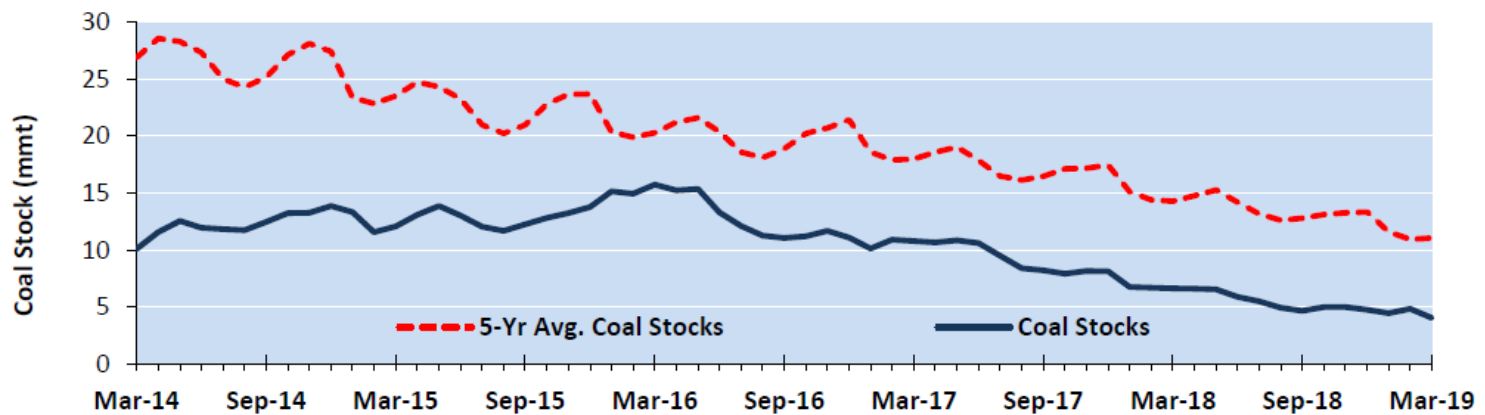
Inventory Challenges

TOTAL UTILITIES: MONTHLY DAYS-OF-BURN WITH HISTORICAL RANGE

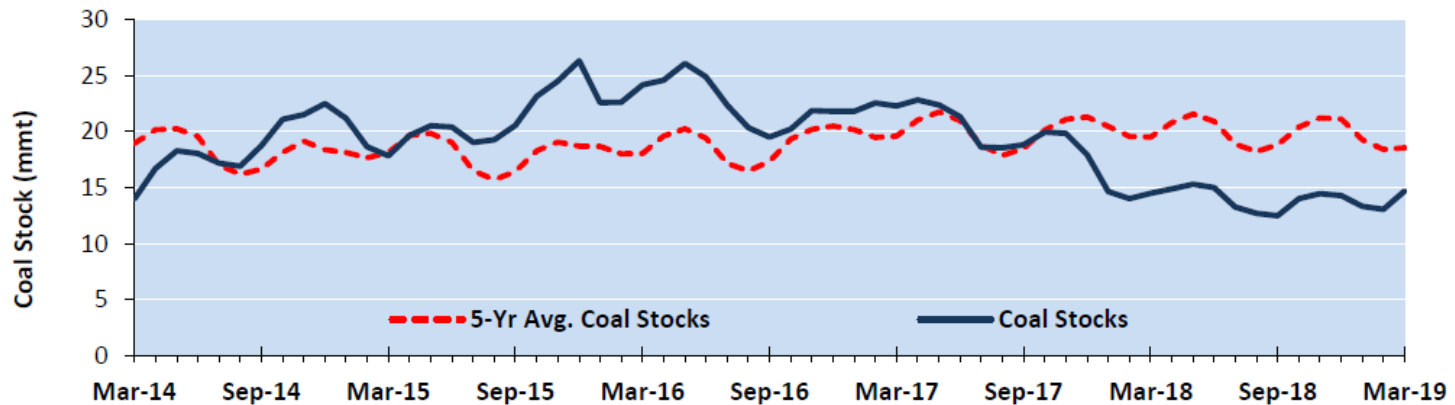


Inventory Challenges

CAPP: MONTHLY COAL STOCKS

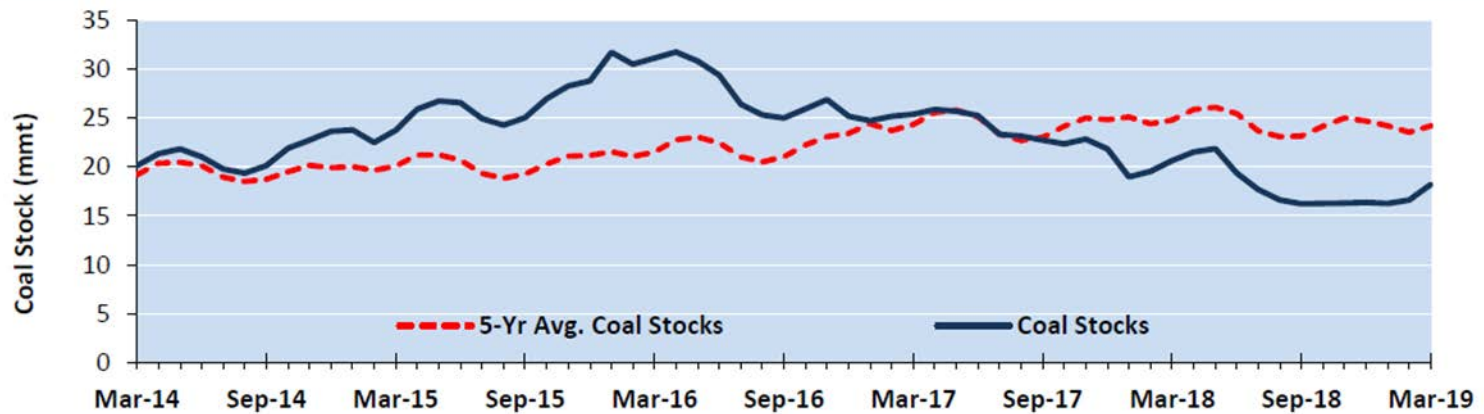


NAPP: MONTHLY COAL STOCKS

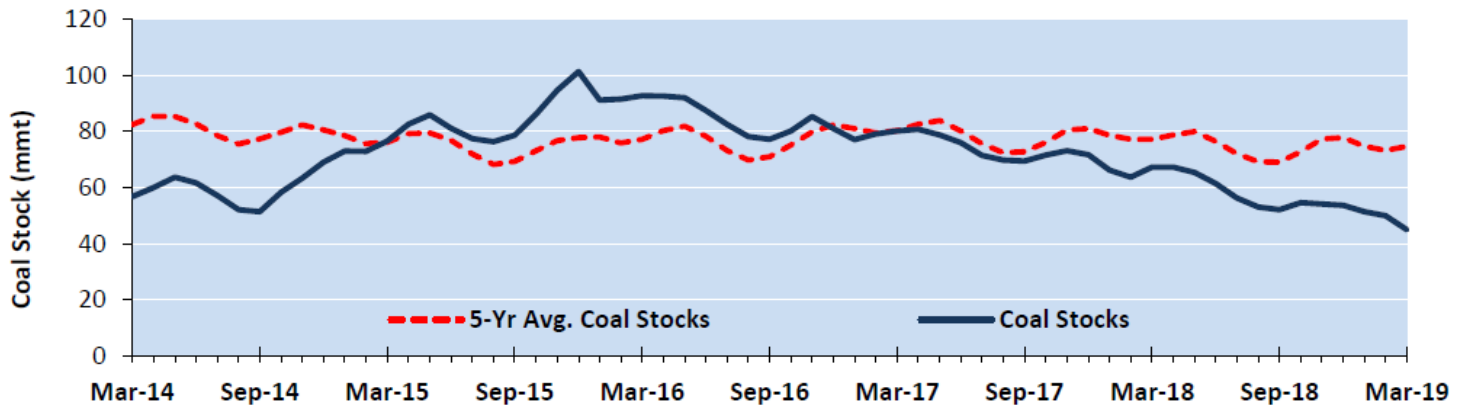


Inventory Challenges

ILB: MONTHLY COAL STOCKS

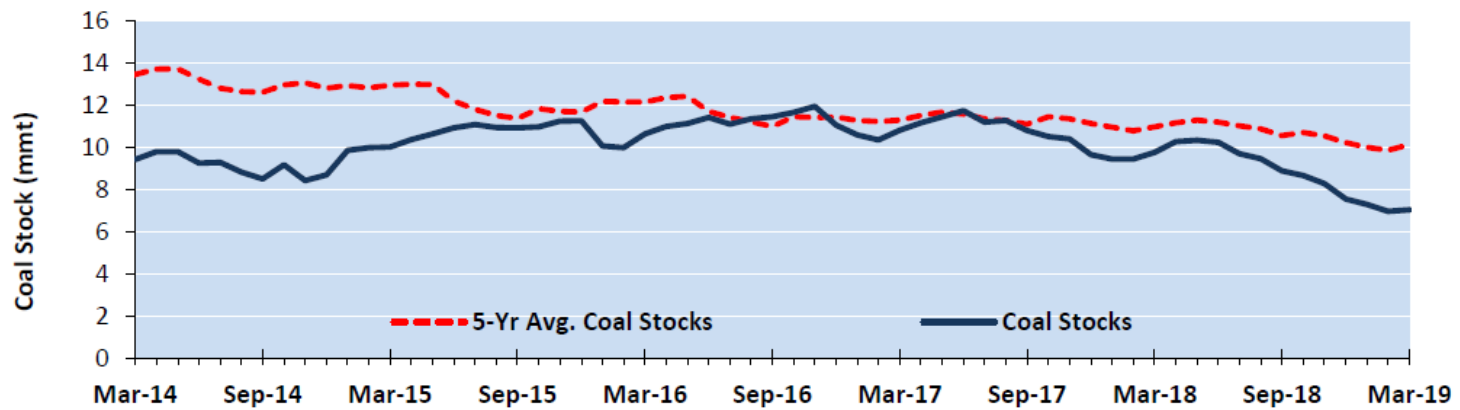


PRB: MONTHLY COAL STOCKS



Inventory Challenges

ROCKIES: MONTHLY COAL STOCKS



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