Surface Transportation Board - RETAC
Western Coal Producers Role in the Energy Supply Chain

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Discussion Topics

- Focus on SPRB
- Daily Operations
- Monthly Communication/Planning
- Longer Term Planning
- Causes of Delays and Disruption
- Long Term Outlook
Daily Operation

• Mining
  – Removing overburden from the coal seam
  – Removing and hauling coal from the pit for loading
  – Reclamation
  – Permit restrictions do not allow uncovered stockpiles: coordination of coal haul and train loading is critical

• Train Loading
  – Upcoming 24 hour line-up faxed from RR on regular intervals
  – 72 hour available online
  – Regular communication regarding unplanned breakdowns, diversions and line-up changes
Monthly Communication/Planning

• Producer/Customer
  – Customers enter requested shipment volume on railroads’ website (NCTA Forecast)
  – Producers acknowledge request on website, differences are typically discussed prior to final submittal
  – Planned outages are typically discussed at this point.

• Producer/Railroad
  – Producers inform railroads about planned maintenance outages
  – Railroads release track maintenance schedules
Longer Term Communication and Planning

• Quarterly Producer Breakfast Meeting
• Semi-Annual NCTA Logistics and Planning Meeting
• Individual meetings between producers and RR’s
  – Annual production outlook
  – Long term view and projections
Causes of Delays and Disruption

- Unplanned breakdowns (Mine, RR, Customer)
- Weather
- Derailments
- Slow unloading by customer
- Inefficiencies in communicating and reacting to unplanned events

If producers are operating near capacity, recovering from missed loadings can become difficult or impossible
Long Term Outlook

- CANAC study of Joint Line projected shipments will grow to near 500 million by 2013
- Growing global energy demand
- Reserve depletion in other regions
- Potential growth of exports
- Impact of future environmental regulations