

Attachment 2

Part 4 of 9

Minnesota Power's response to DOC discovery related to rail delivery issues.

Kathy Benham (MP)

From: McCabe, Jessie L <Jessie.McCabe@bnsf.com>
Sent: Wednesday, October 23, 2013 5:22 PM
To: McCabe, Jessie L
Subject: FW: Service Advisory: Impacts to the Coal Network

Greetings,

The following advisory was sent yesterday to customers who have subscribed within their bnsf.com account to receive our service advisories. If you did not receive this notification yesterday and would like to receive them in the future, please subscribe. Let me know if you have any questions getting set up.

Thank you,

Jessie

Jessie McCabe
Director Coal Marketing
BNSF Railway Company
✉ jessie.mccabe@bnsf.com
☎ 817-867-6248

From: Pigott, Derek
Sent: Wednesday, October 23, 2013 4:05 PM
Subject: Service Advisory: Impacts to the Coal Network

The following Service Advisory was sent to all Coal customers subscribed to receive updates yesterday, **Tuesday, October 22.**

Thanks,
Derek

Service Advisory



To: BNSF Coal Customers

October 22, 2013

Impacts to the Coal Network

In recent months, periodic events have continued to affect BNSF service in the Powder River

Basin, including Wyoming and Montana mines. These events include multiple weather conditions along with planned and unplanned outages. The most significant impacts resulted from:

- In September, Colorado experienced historic flooding that affected our North/South route capability, forcing all traffic to route through Lincoln.
- In October, a blizzard in Wyoming and Colorado resulted in the staging of more than 100 trains.
- Additionally, wet pit conditions in the mines have resulted in lost loadings.

Despite adverse weather, we have not met your expectations or our own high standards. In response to these events, BNSF is working hard to improve service by:

- Targeted cancellations of daily MOW windows for the entire region, with a focus along the North Lines and the PRB.
- Strategically diverting trains off of constrained or interrupted routes to regain velocity between service interruptions and MOW.
- Adding surge locomotives into the system to address volume and business-unit set growth.

BNSF will continue to focus on these issues until the network has recovered. Please contact your BNSF representative if you have questions at 888-428-2673. Thank you for your business.

This Service Advisory is intended to inform BNSF customers of temporary service changes or interruptions.

This Service Advisory is posted on our website at www.bnsf.com.

David Owens (MP)

From: BNSF Customer Notifications <Customer.Notifications@email.bnsf.com>
Sent: Friday, December 06, 2013 2:37 PM
To: David Owens (MP)
Subject: Winter storm Cleon and the BNSF network

To view this email as a web page, go [here](#).

ServiceAdvisory



To: BNSF Customers

December 6, 2013

Winter Storm Cleon

Winter storm Cleon is in full force and has touched most of the entire BNSF network.

Snowplows and other heavy equipment are in operation in our Northern reaches, while salt trucks and emergency generators are working in Texas, Oklahoma and Missouri.

As we face widespread road closures, special "snow coach" trains are repositioning our crews. All critical support forces have been activated on rotating shifts to provide assistance for the continued movement of traffic. These activities are part of the standard BNSF Winter Action Plan.

Some local train service has been curtailed to minimize the potential for exposure to the harsh conditions and will be quickly recovered as Cleon passes through the affected areas.

Customers should anticipate delays of 24-48 hours on all shipments through Dec. 8, 2013.

This Service Advisory is intended to inform BNSF customers of temporary service changes or interruptions.

This Service Advisory is posted on our website at www.bnsf.com.

This email was sent to: dowens@mnpower.com

This email was sent by: BNSF Railway
2650 Lou Menk Drive Fort Worth, TX 76131-2830 USA

David Owens (MP)

From: BNSFCustomerUpdates@bnsf.com
Sent: Thursday, January 02, 2014 6:28 AM
To: David Owens (MP)
Subject: Final Report: Derailment at Casselton, North Dakota

Service Advisory



To: David Owens
MINNESOTA POWER

January 02, 2014

Final Report: Derailment at Casselton, North Dakota

At 2:10 p.m. Central time on December 30, 2013, GRYLRGT926 derailed on Main track 1 and impacted UFYNHAY405, causing it to derail on Main track 2 just west of Casselton, North Dakota. Casselton, North Dakota is 25 miles west of Fargo and Dilworth, North Dakota.

One main track opened at 3:00 a.m. Central Time on Thursday, January 2nd, 2014. The second main track opened at 3:15 a.m. Central Time on Thursday, January 2nd, 2014. BNSF will continue to provide you with additional information as it becomes available.

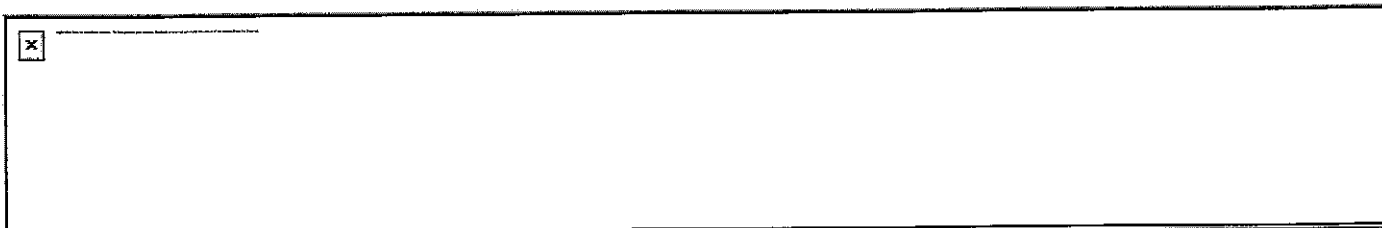
Customers may experience delays of 24 to 36 hours on shipments moving through this corridor.

Your shipments that may be delayed include the following, along with ETAs reflected in the BNSF system at the time this advisory was issued:

David Owens (MP)

From: BNSFCustomerUpdates@bnsf.com
Sent: Monday, March 03, 2014 6:43 PM
To: David Owens (MP)
Subject: Update: Avalanche on Montana Division

[ALERT – External Email – Handle Accordingly]



To: David Owens
MINNESOTA POWER

March 03, 2014

Update: Avalanche on Montana Division

BNSF is currently experiencing operational impact due to avalanche activity in the Glacier Park area. We anticipate delays to traffic moving across the Northern Region. One track was returned to service at 1:30 p.m. Central Time. The estimated time of opening for the second track is 7:00 p.m. Central Time.

We will provide updates as information becomes available. Shipment information can be found through the secure Rail Central web tool at bnsf.com.


If you need additional information, please contact BNSF Customer Support at 888-428-2673 option 4, option 3.

Your shipments that may be delayed include the following, along with ETAs reflected in the BNSF system at the time this advisory was issued:

David Owens (MP)

From: BNSFCustomerUpdates@bnsf.com
Sent: Monday, March 03, 2014 10:14 PM
To: David Owens (MP)
Subject: Final Report: Avalanche on Montana Division

[ALERT – External Email – Handle Accordingly]




To: David Owens
MINNESOTA POWER

March 03, 2014

Final Report: Avalanche on Montana Division

As stated in a previous advisory, BNSF is currently experiencing operational impact due to avalanche activity in the Glacier Park area. We anticipate delays to traffic moving across the Northern Region.

One track was returned to service at 1:30 p.m. Central Time. The second track was returned to service at 7:30 p.m. Central Time. Customers may experience delays of 24 to 36 hours on shipments moving through this corridor.



David Owens (MP)

From: BNSFCustomerUpdates@bnsf.com
Sent: Thursday, March 06, 2014 10:01 AM
To: David Owens (MP)
Subject: Preliminary Report: Avalanche on Montana Division

[ALERT – External Email – Handle Accordingly]

Service Advisory



To: David Owens
MINNESOTA POWER

March 06, 2014

Preliminary Report: Avalanche on Montana Division

BNSF is currently experiencing operational impact due to avalanche activity in the Glacier Park area. We anticipate delays to traffic moving across the Northern Region. At this time we do not have an estimated time of opening.

We will provide updates as information becomes available. Shipment information can be found through the secure Rail Central web tool at bnsf.com.

This Service Advisory is intended to inform BNSF customers of temporary service changes or interruptions.

This Service Advisory is posted on our Web site at www.bnsf.com.

David Owens (MP)

From: BNSF Customer Notifications <Customer.Notifications@email.bnsf.com>
Sent: Friday, March 14, 2014 6:47 PM
To: David Owens (MP)
Subject: Service Update for Friday, April 14

[ALERT – External Email – Handle Accordingly]

To view this email as a web page, go [here](#).

ServiceAdvisory



To: BNSF Customers

March 14, 2014

Service Update for Friday, April 14

Despite continued weather and operational impacts, BNSF has made progress in its service performance in the last week. We'd like to share with you some of the key indicators that signify improvement.

Locomotives:

With additional units arriving throughout 2014, we continue to see an increase in our locomotive inventory counts. So far, we have added more than 300 road locomotives to our fleet since the beginning of the year.

Trains holding:

Severe weather and service interruptions continue to drive high train holding counts; however, we have seen some signs of relief. The number of trains holding on the system has declined 15 percent this week compared to last week. Broken out by region, these declines are 12 percent in the northern U.S., 24 percent in the central U.S. and 7 percent in the southern U.S.

Coal velocity:

Coal velocity has improved by 11 percent driven by a 15 percent improvement in the Central Region, resulting in an increase in loadings per day. Our focus remains on stabilizing customer stockpiles.

Intermodal and Automotive performance:

On-time performance across our intermodal network has increased, driven by a reduction in the time for spotting for deramp by 27 percent. We continue to experience delays to eastbound international intermodal trains primarily in our weather impacted northern region, including recent delays in the greater Chicago area.

Industrial Products performance:

We are still well below our miles-per-day goal, but have seen signs of velocity improvements during the last 10 days thanks to terminal dwell improvements. In fact, terminal dwell has decreased by 7 percent, with total hours held for terminals down 10 percent. This is an indication of increased fluidity within our carload network.

Agricultural Products performance:

While we continue to experience significant impact to our Ag network, we've begun to see more consistency in our Ag service, as indicated by less variation in daily velocity.

We recognize that weather and operational issues continue to affect you and your business and we remain committed to an aggressive plan to restore service levels as quickly as possible.

This Service Advisory is Intended to Inform BNSF customers of temporary service changes or Interruptions.

This Service Advisory is posted on our website at www.bnsf.com.

This email was sent to: dowens@mnpower.com

This email was sent by: BNSF Railway
2650 Lou Menk Drive Fort Worth, TX 76131-2830 USA

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David Owens (MP)

From: BNSF Railway <Customer.Notifications@email.bnsf.com>
Sent: Friday, March 21, 2014 4:31 PM
To: David Owens (MP)
Subject: Service update for the week of March 17

[ALERT – External Email – Handle Accordingly]

To view this email as a web page, go [here](#).



BNSF Railway
2650 Lou Menk Drive
Fort Worth, TX 76131-2830

March 21, 2014

Dear BNSF Customers,

We are beginning to see some progress given recent improvements to the fluidity of our network. Week-over-week* key indicators of these improvements include:

- A 25 percent reduction in trains being held short of their final destination.
- A 15 percent reduction in loaded cars that are more than four days beyond their trip plan.
- 72 additional locomotives available - an improvement of 13 percent over the previous week.
- Improved to Alert Level 2 from Alert Level 3 at our Chicago-area operations - our first improvement to this level in approximately two months.

BNSF also discussed our efforts to improve service this week when Carl Ice was interviewed on **CNBC "Riding the Economic Rails"** on how the winter weather and our volume growth have impacted the railroad. In 2013, the industry grew by 800,000 units; BNSF handled 50 percent of that growth. He reiterated our dedication to restoring service by saying, "All of our customers are important to us and we work hard to have great service. Our team is focused on improving service for all of our customers."

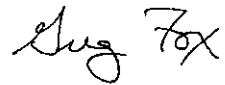
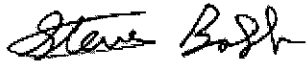
The **Fort Worth Star-Telegram** and **Dallas Business Journal** published stories on the improving service and emphasized BNSF's plans to hire 5,000 workers and add 500 new diesel locomotives to its fleet this year as part of a \$5 billion investment in the railroad.

We understand that there's still a lot of work ahead. Rest assured that we remain dedicated to restoring the level of service you expect from us.

Because we know you want to stay informed, we will continue to update you on our service performance and specific service initiatives through our Marketing News updates.

Thank you for choosing BNSF as your freight transportation provider.

Sincerely,



Steve Bobb
Executive Vice President and
Chief Marketing Officer

Greg Fox
Executive Vice President, Operations

*March 17, 2014 vs. March 10, 2014

This email was sent to: dowens@mnpower.com

This email was sent by: BNSF Railway
2650 Lou Menk Drive Fort Worth, TX 76131-2830 USA

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David Owens (MP)

From: BNSF Customer Notifications <Customer.Notifications@email.bnsf.com>
Sent: Friday, March 28, 2014 5:47 PM
To: David Owens (MP)
Subject: Service Update for Friday, March 28

[ALERT – External Email – Handle Accordingly]

To view this email as a web page, go [here](#).

Service Advisory

To: BNSF Customers

March 28, 2014

Service Update for Friday, March 28

This week, BNSF continued to make progress in our efforts to improve the fluidity of our network. We'd like to share with you some of the key indicators that demonstrate the improvements we are experiencing.

Trains holding:

The number of trains holding on the BNSF system, which is a count of trains that are not running due to congestion or lack of a critical resource like power or crew, has declined 15 percent this week when compared to last week*, which indicates more fluidity is occurring within the network.

System maintenance and enhancement:

March maintenance and enhancement efforts have increased, with 59 crews collectively spending more than 10,000 man-hours each day maintaining and improving the network. Our maintenance crews' efforts help ensure that we can continue to aggressively pursue improving service across the system, while keeping safety a top concern.

Coal velocity:

- The velocity for the movement of coal has improved by seven percent from the prior week driven by an eight percent improvement in the Central Region. This improvement means that we are able to increase our loadings per day, which is helping us to continue stabilizing customer stockpiles.

Intermodal and Automotive performance:

- On-time performance has improved across our intermodal network, driven by a 49 percent reduction in the wait time for a train to be processed for unloading once it arrives at our terminal.

Industrial Products:

- Velocity continued to improve during the past week. Terminal dwell, which is the average time a rail car spends at our terminal, has decreased 14 percent compared to last week.

Agricultural Products:

- For our agriculture customers, we are not yet achieving a reduction in the days past due for car orders. Clearly, we not satisfied with this status. We remain committed and focused on restoring service across the Ag network.

Your business is very important to BNSF and we want to ensure that we are doing all we can to continue to serve you now and in the future. If you have feedback for us or questions about efforts we are taking to improve service, we welcome your feedback.

Thank you for choosing BNSF as your transportation service provider.

** March 18, 2014 vs. March 25, 2014.*

This Service Advisory is intended to inform BNSF customers of temporary service changes or interruptions.

This Service Advisory is posted on our website at www.bnsf.com.

This email was sent to: dowens@mnpower.com

This email was sent by: BNSF Railway
2650 Lou Menk Drive Fort Worth, TX 76131-2830 USA

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David Owens (MP)

From: BNSF Customer Notifications <Customer.Notifications@email.bnsf.com>
Sent: Friday, April 04, 2014 4:31 PM
To: David Owens (MP)
Subject: Service Update for Friday, April 4

[ALERT – External Email – Handle Accordingly]

To view this email as a web page, go [here](#).

Service Advisory



To: BNSF Customers

April 4, 2014

Service Update for Friday, April 4

We continue to make progress in our efforts to improve service levels and have seen consistent improvements compared to February, when we experienced our most challenging operational issues.

This week, however, significant winter weather along our Northern Corridor hampered some efforts to improve the fluidity of our network. While we will likely continue to experience weeks where overall progress is not as strong as the previous week, we expect to continue to make steady improvements throughout the year. The following key indicators demonstrate our current performance:

Trains holding:

- Our snapshot of the number of trains holding on the BNSF system showed that we ended March holding 80 fewer trains than the beginning of the month. While we are disappointed at the number of trains that continue to be held short of their destination, we still recognize that the winter of 2013-2014 continues to create operational challenges impacting the Northern Plains and Upper Midwest. Our trains holding measurement is a count of trains not running due to a lack of a critical resource indicates more congestion is occurring on the network.

Coal velocity:

- The velocity for the movement of coal (miles per day) improved seven percentage points from last week*, driven by a six percent improvement in the Central Region. This improvement allows us to increase our loadings per day, helping to continue the stabilization of customer stockpiles.

Intermodal and Automotive performance:

- On-time performance improved nearly seven percentage points from last week, driven by improved car velocity and progress toward more typical network balance and traffic flows.

Industrial Products:

- Terminal dwell improved when compared to last week, with a 14 percent improvement in the time a railcar spends at the terminal. However, velocity declined four percent during the past week.

Agricultural Products:

- Past dues improved eight percent when compared to last week. Velocity declined five percent during the same time frame.

All of our customers are very important to BNSF and we continue to do all we can to serve you now and in the future. We welcome your feedback or questions about the efforts we are taking to improve service.

Thank you for choosing BNSF as your transportation service provider.

** March 26, 2014 vs. April 2, 2014.*

This Service Advisory is intended to inform BNSF customers of temporary service changes or interruptions.

This Service Advisory is posted on our website at www.bnsf.com.

This email was sent to: dowens@mnpower.com

This email was sent by: BNSF Railway
2650 Lou Menk Drive Fort Worth, TX 76131-2830 USA

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David Owens (MP)

From: BNSFCustomerUpdates@bnsf.com
Sent: Monday, April 07, 2014 1:38 AM
To: David Owens (MP)
Subject: Preliminary Report: Derailment near Maiden Rock, Wisconsin

[ALERT – External Email – Handle Accordingly]

Service Advisory



**To: David Owens
MINNESOTA POWER**

April 07, 2014

Preliminary Report: Derailment near Maiden Rock, Wisconsin

On Sunday, April 7, 2014, at 12:00 a.m. Central Time, we received a preliminary report that L-CHI8131-06 derailed on the main tracks near Maiden Rock, Wisconsin. Maiden Rock, Wisconsin is approximately 11 miles from Bay City, Wisconsin.

The estimated time of opening for the track is currently unknown. BNSF will continue to provide you with additional information as it becomes available. Customers may experience delays of 24 to 36 hours on shipments moving through this corridor.

Your shipments that may be delayed include the following, along with ETAs reflected in the BNSF system

Destination	Updated ETA	Equipment
MIN POWER _ LIGHT, MN	04/15/2014	CEFX 40891
MIN POWER _ LIGHT, MN	04/15/2014	CITX 400372
SUPERIOR, WI	04/07/2014	CEFX 43208

~ [Track these shipments here](#)
at the time this advisory was issued:

This Service Advisory is intended to inform BNSF customers of temporary service changes or interruptions.

This Service Advisory is posted on our Web site at www.bnsf.com.

David Owens (MP)

From: BNSFCustomerUpdates@bnsf.com
Sent: Monday, April 07, 2014 10:49 AM
To: David Owens (MP)
Subject: Final Report: Derailment near Maiden Rock, Wisconsin

[ALERT – External Email – Handle Accordingly]

Service Advisory



**To: David Owens
MINNESOTA POWER**

April 07, 2014

Final Report: Derailment near Maiden Rock, Wisconsin

On Sunday, April 6, 2014, at 12:00 a.m. Central Time, we received a preliminary report that L-CHI8131-06 derailed on the main tracks near Maiden Rock, Wisconsin. Maiden Rock, Wisconsin is approximately 11 miles from Bay City, Wisconsin.

Both main lines returned to service on Monday, April 7, 2014 at 7:00 a.m. Central Time. Customers may experience delays of 24 to 36 hours on shipments moving through this corridor. Your shipments that may be delayed include the following, along with ETAs reflected in the BNSF system at the time this advisory was issued:

Destination	Updated ETA	Equipment
MIN POWER _ LIGHT, MN	04/15/2014	CEFX 40891
MIN POWER _ LIGHT, MN	04/15/2014	CITX 400372
SUPERIOR, WI	04/07/2014	CEFX 43208

~ [Track these shipments here](#)

This Service Advisory is intended to inform BNSF customers of temporary service changes or interruptions.

This Service Advisory is posted on our Web site at www.bnsf.com.

David Owens (MP)

From: BNSF Customer Notifications <Customer.Notifications@email.bnsf.com>
Sent: Friday, April 11, 2014 6:56 PM
To: David Owens (MP)
Subject: Service Update for Friday, April 11

[ALERT – External Email – Handle Accordingly]

To view this email as a web page, go [here](#).

Service Advisory

To: BNSF Customers

April 11, 2014

Service Update for Friday, April 11

This week BNSF and other Class 1 railroads participated in a hearing held by the Surface Transportation Board in Washington, D.C., to discuss how service issues are affecting certain customers, and to review BNSF's short- and long-term actions to improve velocity and increase capacity for all our customers.

During the hearing, BNSF discussed our recovery efforts, the progress we expect to make in the future, and our commitment to continue keeping our customers informed about our operations and service delivery.

Overall, we continue to see signs of improvement across our network. We have good indications that our traffic movement is becoming more fluid.

Improving overall volumes:

- In March, we saw higher volumes moving on our system than in January and February. For the weeks ending April 5 and March 29, we delivered our highest weekly volumes of any other sequential two-week period during all of 2014 with more than 400,000 units delivered. To put current deliveries in a broader context, in the first quarter of 2014, there were two weeks when we delivered more than 200,000 units, which is our highest weekly delivery volume since 2007.

These good results are partially because of improved terminal dwell across all of our regions, which improved 2.6 percent for the week ending April 4 compared to the previous week.

Trains holding:

- Trains holding, which is a key indicator of congestion on our network, is also beginning to stabilize. This number improved by 23 percent when compared to early February, when we experienced our most challenging operational issues. We continue working to improve the number of trains being held short of their destination due to lack of a critical resources.

Everyone at BNSF understands the importance and urgency of improving service for our customers. We remain committed to doing all that we can to serve you now and in the future, and we appreciate the partnership that exists between us. We welcome your feedback or questions about the efforts we are taking to improve service.

This Service Advisory is intended to inform BNSF customers of temporary service changes or interruptions.

This Service Advisory is posted on our website at www.bnsf.com.

This email was sent to: dowens@mnpower.com

This email was sent by: BNSF Railway
2650 Lou Menk Drive Fort Worth, TX 76131-2830 USA

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David Owens (MP)

From: BNSF Customer Notifications <Customer.Notifications@email.bnsf.com>
Sent: Thursday, April 17, 2014 4:01 PM
To: David Owens (MP)
Subject: Service Update for Thursday, April 17

[ALERT – External Email – Handle Accordingly]

To view this email as a web page, go [here](#).

Service Advisory



To: BNSF Customers

April 17, 2014

Service Update for Thursday, April 17

Across the network we are seeing signs of service improvement, with several indicators suggesting that traffic movement is becoming more fluid. While we continue our efforts to improve service, we are also carefully monitoring spring weather. As record snowfalls begin to melt, there is a potential risk for some flooding. To combat this threat, we have taken proactive measures over the past few years to protect our network against the impact of flooding. These efforts include elevating miles of track by as much as eight feet, and building levees and berms to protect rail lines. In addition, we are currently in the process of positioning machinery and manpower in susceptible areas. These preparations will allow us to quickly handle any weather-related issues during this spring season.

All of these actions reflect BNSF Railway's commitment to improving our service - a commitment that is reflected in the following key measures of our current performance.

Trains holding:

- The number of trains holding on the BNSF system declined 22 percent this week and 40 percent since early February, accounting for 63 fewer trains holding due to congestion or lack of a critical resource.

Agricultural products:

- Past dues improved four percent when compared to last week.* Recent measures have also improved the seven day average velocity of our fertilizer unit trains by 17 percent.

Coal velocity:

- Velocity for the movement of coal (miles per day) improved two percentage points from last week, driven by a 10 percent improvement in the North Region.

Industrial products:

- Velocity increased two percent during the past week, while terminal dwell remained relatively flat.

Intermodal and automotive performance:

- On-time performance improved four percentage points from last week, driven by continued improvement in car velocity and progress toward more typical network balance and traffic flows.

As always, we welcome your feedback and questions regarding the efforts we are taking to improve service. Thank you for choosing BNSF as your transportation service provider.

**April 8 -15*

This Service Advisory is intended to inform BNSF customers of temporary service changes or interruptions.

This Service Advisory is posted on our website at www.bnsf.com.

This email was sent to: dowens@mnpower.com

This email was sent by: BNSF Railway
2650 Lou Menk Drive Fort Worth, TX 76131-2830 USA

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David Owens (MP)

From: BNSF Customer Notifications <Customer.Notifications@email.bnsf.com>
Sent: Friday, April 25, 2014 6:01 PM
To: David Owens (MP)
Subject: Service Update for Friday, April 25

[ALERT – External Email – Handle Accordingly]

To view this email as a web page, go [here](#).

Service Advisory



To: BNSF Customers

April 25, 2014

Service Update for Friday, April 25

This past week we continued to see positive trends in our efforts to improve service across the network. Below are some of the key indicators that show our progress:

- For the week ending April 22, overall **on-time performance** improved 16 percent when compared to the prior week* and 32 percent better than our baseline in early February. Good results in the North Region have helped drive the improvement.
- **System velocity**, which is defined as miles per day (MPD), increased five percent to 193 MPD, with agricultural products showing the highest weekly improvement, which came in 11 percent better than the prior week also driven by improvements in our North Region.
- For the week ending April 22, **trains holding** counts, which is the number of trains waiting due to congestion or a critical resource, decreased 12 percent when compared to the previous week and 47 percent since the week ending February 7.

Agricultural Products:

- With the spring planting season about to begin, we are also making good progress in our delivery of fertilizer to those customers who are getting ready to plant this year's crop. We shipped more than 2,500 cars or moved 22 trains carrying fertilizer this past week.

Coal:

- Weekly coal loadings (7-day average) increased five percent to 51 loadings per

- day.
- Coal velocity increased eight percent when compared to the prior week.

Industrial Products:

- On-time performance improved 12 percent when compared to the prior week.

Intermodal and Automotive:

- On-time performance improved three percent when compared to the prior week and is 34 percent better since the week ending February 7.

As you can see, we are encouraged by some of the positive trends we are seeing across our network. We continue to be focused on consistently making improvements, adding capacity and making process and operational improvements that will generate better velocity for our network.

We welcome your feedback and questions regarding the efforts we are taking to improve service. Thank you for your business for choosing BNSF as your transportation service provider.

**April 9-15*

This Service Advisory is intended to inform BNSF customers of temporary service changes or interruptions.

This Service Advisory is posted on our website at www.bnsf.com.

This email was sent to: dowens@mnpower.com

This email was sent by: BNSF Railway
2650 Lou Menk Drive Fort Worth, TX 76131-2830 USA

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David Owens (MP)

From: BNSF Customer Notifications <Customer.Notifications@email.bnsf.com>
Sent: Friday, May 09, 2014 6:40 PM
To: David Owens (MP)
Subject: Service Update for Friday, May 9

[ALERT – External Email – Handle Accordingly]

To view this email as a web page, go [here](#).

Service Advisory

To: BNSF Customers

May 9, 2014

Service Update for Friday, May 9

This past week we continued to focus our efforts on improving service and on investments to support our customer's growth. Overall, our service indicators continue trending in a positive direction since our baseline in early February.

- Overall volumes were once again strong for the week with 201,663 units moved for the week ending May 3. This strong performance makes two consecutive weeks when we have moved more than 200,000 units on behalf of our customers. This is our highest two-week volume total since mid-November 2013 just prior to the Thanksgiving holiday season.
- For the week ending May 6, overall **on-time performance** was five points better than the prior week and nearly 22 points higher than our baseline week in early February.
- **System velocity**, which is defined as miles per day (MPD), was down just slightly to 185.9 MPD from 187.1 MPD in the prior week, but is nearly 9 percent better than our baseline week in early February.
- For the week ending May 6, **trains holding** counts, which is the number of trains waiting due to congestion or a critical resource, increased slightly when compared to the previous week, but is still down 41.7 percent since the week ending February 7.

Fertilizer Campaign

Yesterday, we provided the Surface Transportation Board with an update on our focused fertilizer campaign, wherein we detailed our plan for the delivery of 52 trainloads of fertilizer over a six-week period in BNSF-direct unit train service. As of the morning of Thursday, May 8, BNSF has originated 38 trainloads of fertilizer since the fertilizer campaign was implemented on April 12, 2014. Of those 38 originated trains,

32 have been delivered to their ultimate destination for unloading.

We also continue to move individual carloads of fertilizer in manifest service, and have handled an additional 13 fertilizer trainloads that we receive in interline service for delivery on BNSF's network since April 12.

Capital Investment Progress

Last week, we issued a press release announcing the progress we are making on the \$5 billion capital expenditures planned for 2014. We highlighted the investment being made along our Northern Corridor where we plan to spend \$1 billion to expand capacity, boost velocity and improve traffic flow to support the region's robust economic growth.

That investment represents 20 percent of the company's 2014 capital commitment and will help ensure that BNSF can accommodate the rapidly growing demand of various types of traffic all along the corridor.

Highlights of the planned capital projects include:

- \$400 million in North Dakota
- \$235 million in Washington
- \$160 million in Montana
- \$150 million in Illinois
- \$120 million in Minnesota

To learn more about planned improvements and those currently underway, see our detailed infographic on [BNSF's 2014 \\$5 billion capital plan](#).

BNSF remains committed to continuous improvement in every aspect of our operations so that we can serve our customers in the best possible way. We welcome your comments and feedback.

Thank you for choosing BNSF as your transportation service provider.

This Service Advisory is intended to inform BNSF customers of temporary service changes or interruptions.

This Service Advisory is posted on our website at www.bnsf.com.

This email was sent to: dowens@mnpower.com

This email was sent by: BNSF Railway
2650 Lou Menk Drive Fort Worth, TX 76131-2830 USA

David Owens (MP)

From: BNSFCustomerUpdates@bnsf.com
Sent: Monday, May 12, 2014 3:11 PM
To: David Owens (MP)
Subject: Preliminary Report: Derailment at Pillager, MN

[ALERT – External Email – Handle Accordingly]

Service Advisory



**To: David Owens
MINNESOTA POWER**

May 12, 2014

Preliminary Report: Derailment at Pillager, MN

On Sunday, May 11th, 2014 at 11:15 p.m. Central Time, we received a preliminary report that C-DKMSUD0-44 derailed on the main track at Pillager, Minnesota. Pillager, Minnesota is 15 miles east of Staples, Minnesota. The track is estimated to return to service at 03:30 a.m. Central Time on May 14th, 2014.

BNSF will continue to provide you with additional information as it becomes available. Customers may experience delays of 36 to 48 hours on shipments moving through this corridor.

Your shipments that may be delayed include the following, along with ETAs reflected in the BNSF system at the time this advisory was issued:

David Owens (MP)

From: BNSFCustomerUpdates@bnsf.com
Sent: Tuesday, May 13, 2014 3:17 PM
To: David Owens (MP)
Subject: Final Report: Derailment at Pillager, MN

[ALERT – External Email – Handle Accordingly]

Service Advisory



**To: David Owens
MINNESOTA POWER**

May 13, 2014

Final Report: Derailment at Pillager, MN

On Sunday, May 11th, 2014 at 11:15 p.m. Central Time, we received a preliminary report that C-DKMSUD0-44 derailed on the main track at Pillager, Minnesota. Pillager, Minnesota is 15 miles east of Staples, Minnesota. The track returned to service at 2:30 p.m. Central Time on May 14th, 2014.

Customers may experience delays of 24 to 36 hours on shipments moving through this corridor.

Your shipments that may be delayed include the following, along with ETAs reflected in the BNSF system at the time this advisory was issued:

David Owens (MP)

From: BNSFCustomerUpdates@bnsf.com
Sent: Saturday, May 24, 2014 2:29 AM
To: David Owens (MP)
Subject: Preliminary Report: Washout at Jamestown, North Dakota

[ALERT – External Email – Handle Accordingly]

Service Advisory



To: David Owens
MINNESOTA POWER

May 24, 2014

Preliminary Report: Washout at Jamestown, North Dakota

On Friday, May 23 at 8:00 p.m. Central Time, BNSF received initial notification of a washout at Jamestown, North Dakota. Jamestown, North Dakota is approximately 100 miles from Fargo, North Dakota.

At this time, we have multiple engineering groups working to repair. The current estimated time of opening is 1:00 p.m. Central Time on Saturday, May 24, 2014. Customers may experience delays of 24 to 36 hours on shipments moving through this corridor.

Your shipments that may be delayed include the following, along with ETAs reflected in the BNSF system at the time this advisory was issued:

David Owens (MP)

From: BNSFCustomerUpdates@bnsf.com
Sent: Saturday, May 24, 2014 11:15 AM
To: David Owens (MP)
Subject: Final Report: Washout at Jamestown, North Dakota

[ALERT – External Email – Handle Accordingly]

Service Advisory



To: David Owens
MINNESOTA POWER

May 24, 2014

Final Report: Washout at Jamestown, North Dakota

On Friday, May 23 at 8:00 p.m. Central Time, BNSF received initial notification of a washout at Jamestown, North Dakota. Jamestown, North Dakota is approximately 100 miles from Fargo, North Dakota.

Area has reopened and is all clear as of 8:00 a.m. Central Time on Saturday, May 24, 2014. Customers may experience delays of 24 to 36 hours on shipments moving through this corridor. Your shipments that may be delayed include the following, along with ETAs reflected in the BNSF system at the time this advisory was issued:

Destination	Updated ETA	Equipment
MIN POWER _ LIGHT, MN	05/25/2014	ADLX 7559
MIN POWER _ LIGHT, MN	05/25/2014	ADLX 7571
MIN POWER _ LIGHT, MN	05/25/2014	ADLX 7672
MIN POWER _ LIGHT, MN	05/25/2014	BN 533430
MIN POWER _ LIGHT, MN	05/25/2014	BN 533448
MIN POWER _ LIGHT, MN	05/25/2014	BN 533459
MIN POWER _ LIGHT, MN	05/25/2014	BN 533471
MIN POWER _ LIGHT, MN	05/25/2014	BN 533477
MIN POWER _ LIGHT, MN	05/25/2014	BN 533512
MIN POWER _ LIGHT, MN	05/25/2014	BN 533519
MIN POWER _ LIGHT, MN	05/25/2014	BN 533534
MIN POWER _ LIGHT, MN	05/25/2014	BN 533551
MIN POWER _ LIGHT, MN	05/25/2014	BN 533570
MIN POWER _ LIGHT, MN	05/25/2014	BN 533578
MIN POWER _ LIGHT, MN	05/25/2014	BN 533596
MIN POWER _ LIGHT, MN	05/25/2014	BN 533654
MIN POWER _ LIGHT, MN	05/25/2014	BN 533684
MIN POWER _ LIGHT, MN	05/25/2014	BN 533803

David Owens (MP)

From: BNSFCustomerUpdates@bnsf.com
Sent: Monday, May 26, 2014 6:12 PM
To: David Owens (MP)
Subject: Preliminary Report: Derailment at Surrey, North Dakota

[ALERT – External Email – Handle Accordingly]

Service Advisory



**To: David Owens
MINNESOTA POWER**

May 26, 2014

Preliminary Report: Derailment at Surrey, North Dakota

On Monday, May 26th at 3:50 p.m. Central Time, we received a preliminary report that G-GMNKAL9-22 derailed on the main track at Surrey, North Dakota. Surrey, North Dakota is approximately eight miles east of Minot, North Dakota. At this time we do not have an estimated reopening time.

BNSF will continue to provide you with additional information as it becomes available. Customers may experience delays of 36 to 48 hours on shipments moving through this corridor. Your shipments that may be delayed include the following, along with ETAs reflected in the BNSF system at the time this advisory was issued:

Destination	Updated ETA	Equipment
MIN POWER _ LIGHT, MN	06/03/2014	BNSF 669595
MIN POWER _ LIGHT, MN	06/03/2014	BNSF 699141

~ [Track these shipments here](#)

This Service Advisory is intended to inform BNSF customers of temporary service changes or interruptions.

This Service Advisory is posted on our Web site at www.bnsf.com.

David Owens (MP)

From: BNSFCustomerUpdates@bnsf.com
Sent: Monday, June 16, 2014 10:02 PM
To: David Owens (MP)
Subject: Preliminary Report: Washouts Near Marshall, North Dakota

[ALERT – External Email – Handle Accordingly]

Service Advisory

BNSF
RAILWAY

To: David Owens
MINNESOTA POWER

June 16, 2014

Preliminary Report: Washouts Near Marshall, North Dakota

On Monday, June 16, 2014, at 3:20 p.m. Central Time, BNSF received notification of multiple washouts near Marshall, North Dakota. Marshall, North Dakota is approximately 94 miles northwest of Bismarck, North Dakota.

At this time, we have multiple engineering groups working to repair. The current estimated time of opening is the afternoon of Tuesday, June 17, 2014. Customers may experience delays of 24 to 36 hours on shipments moving through this corridor.

Your shipments that may be delayed include the following, along with ETAs reflected in the BNSF system at the time this advisory was issued:

David Owens (MP)

From: BNSFCustomerUpdates@bnsf.com
Sent: Friday, June 13, 2014 9:18 AM
To: David Owens (MP)
Subject: Preliminary Report: Derailment at Elk River, Minnesota

[ALERT – External Email – Handle Accordingly]

Service Advisory



**To: David Owens
MINNESOTA POWER**

June 13, 2014

Preliminary Report: Derailment at Elk River, Minnesota

On Friday, June 13th, 2014 at 2:15 a.m. Central Time, we received a preliminary report that manifest train M MINNTW1 11A derailed at Elk River, Minnesota. Elk River, Minnesota is approximately 37 miles east of St. Cloud, Minnesota.

BNSF personnel are on site. Estimated time of opening for one track is June 13th, 2014 at 8:00 p.m. Central Time. Opening time for the second track is still undetermined. BNSF will continue to provide you with addition information as it becomes available. Customers may experience delays of 36 to 48 hours on shipments moving through this corridor.

Your shipments that may be delayed include the following, along with ETAs reflected in the BNSF system at the time this advisory was issued:

Destination	ETA	Equipment
MIN POWER _ LIGHT, MN	06/17/2014	BNSF 671373
~ Track these shipments here		

This Service Advisory is intended to inform BNSF customers of temporary service changes or interruptions.

This Service Advisory is posted on our Web site at www.bnsf.com.

David Owens (MP)

From: BNSF Customer Notifications <Customer.Notifications@email.bnsf.com>
Sent: Friday, July 18, 2014 3:42 PM
To: David Owens (MP)
Subject: Weekly Customer Service Advisory – July 18, 2014

[ALERT – External Email – Handle Accordingly]

To view this email as a web page, go [here](#).

Service Advisory



To: All BNSF Customers

July 18, 2014

Weekly Customer Service Advisory - July 18, 2014

Subdivisions Update

The recent flooding in the Midwest along the Mississippi River has subsided, which means we were able to resume operations on both the Hannibal subdivision and Ottumwa subdivision on Wednesday. With these resummptions, we are returning trains to their pre-flood routes, which will help to increase throughput and lessen delays that had occurred over the past few weeks.

Key Service Metrics

On-time performance is down slightly, driven by some of the outages caused by recent flooding. However, we experienced good improvements across our network in other key metrics.

- For the week ending July 15, overall **on-time performance** decreased a little over eight percentage points compared to the prior week but is still 27 percentage points better than our baseline week in early February.
- **System velocity**, which is defined as miles per day (MPD), increased to 177 MPD for the week ending July 15 compared to 173.2 the prior week. The result is more than seven percent better than our baseline week in early February when we were at 170.8 MPD.
- For the week ending July 15, our **trains holding average** is down nine percent when compared to the previous week and down more than 32 percent since the week ending February 7. Fewer trains holding means more trains can begin their trips without delay due to congestion or a critical resource.

Regional Performance Metrics

Overall, **Terminal Dwell** for the system was down five percent compared to the prior week and 16 percent better than our baseline week in early February. A declining Terminal Dwell result means we are generating improved efficiency at our terminals. Likewise, each of the three operating regions experienced improvements from the baseline of early February. Train speeds, as expected, declined modestly due to flooding and the associated operational challenges.

- In our **Northern region**, terminal dwell is down almost 22 percent from the baseline. Train speed is down 2.5 percent.
- Along our **Central Corridor**, terminal dwell is down 8.4 percent from the baseline. Train speed is down 9 percent.
- Along our **South region**, terminal dwell is down nearly 11 percent from the baseline. Train speed is down 0.4 percent.

As always, we appreciate the opportunity to serve as your transportation service provider and welcome your feedback and questions.

This Service Advisory is intended to inform BNSF customers of temporary service changes or interruptions.

This Service Advisory is posted on our website at www.bnsf.com.

This email was sent to: dowens@mnpower.com

This email was sent by: BNSF Railway
2650 Lou Menk Drive Fort Worth, TX 76131-2830 USA

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David Owens (MP)

From: BNSFCustomerUpdates@bnsf.com
Sent: Thursday, July 10, 2014 11:31 PM
To: David Owens (MP)
Subject: Initial Report: Derailment at Anita, MT

[ALERT – External Email – Handle Accordingly]

Service Advisory



To: David Owens
MINNESOTA POWER

July 10, 2014

Initial Report: Derailment at Anita, MT

On Thursday, July 10th at 8:45 p.m. Central Time, we received an initial report of report of C-DKMSUD0-80 derailing on the main line at Anita, Montana. Anita, Montana is approximately 35 miles east of Billings, Montana. At this time we do not have an estimated time of re-opening.

Track inspector is on site now, and mechanical is enroute.

Your shipments that may be delayed include the following, along with ETAs reflected in the BNSF system at the time this advisory was issued:

David Owens (MP)

From: BNSFCustomerUpdates@bnsf.com
Sent: Saturday, July 12, 2014 2:27 AM
To: David Owens (MP)
Subject: Final Report: Derailment at Anita, Montana

[ALERT – External Email – Handle Accordingly]

Service Advisory



**To: David Owens
MINNESOTA POWER**

July 12, 2014

Final Report: Derailment at Anita, Montana

On Thursday, July 10th at 8:45 p.m. Central Time, we received an initial report that C-DKMSUD0-80 derailed on the main line at Anita, Montana. Anita, Montana is approximately 35 miles east of Billings, Montana.

The track was returned to service at 12:50 a.m. Central Time on July 12th, 2014. Customers may experience delays of 24 to 36 hours on shipments moving through this corridor.

Your shipments that may be delayed include the following, along with ETAs reflected in the BNSF system at the time this advisory was issued:

Destination	Updated ETA	Equipment
DECKER, MT	07/12/2014	BN 533472
DECKER, MT	07/12/2014	BN 533565
DECKER, MT	07/12/2014	BN 533576
DECKER, MT	07/12/2014	BN 533641
DECKER, MT	07/12/2014	BN 533805
DECKER, MT	07/12/2014	BN 533823
DECKER, MT	07/12/2014	BN 533909
DECKER, MT	07/12/2014	BN 534005
DECKER, MT	07/12/2014	BN 534139
DECKER, MT	07/12/2014	BN 534211
DECKER, MT	07/12/2014	BN 534236
DECKER, MT	07/12/2014	BN 534272
DECKER, MT	07/12/2014	BN 534283
DECKER, MT	07/12/2014	BN 534382
DECKER, MT	07/12/2014	BN 534878
DECKER, MT	07/12/2014	BN 534970
DECKER, MT	07/12/2014	BN 535014
DECKER, MT	07/12/2014	BN 535038

David Owens (MP)

From: BNSF Customer Notifications <Customer.Notifications@email.bnsf.com>
Sent: Friday, July 25, 2014 4:51 PM
To: David Owens (MP)
Subject: Service Update for Friday, July 25, 2014

[ALERT – External Email – Handle Accordingly]

To view this email as a web page, go [here](#).

Service Advisory

To: All BNSF Customers

July 25, 2014

Service Update for Friday, July 25, 2014

For the week ending July 22, the seven-day average for the number of trains BNSF had on the system rose to 1,874, which is an average of 27 more trains than the prior week. This week's average trains on the system also compares favorably to our baseline period in early February when we had an average of 78 fewer trains on the system. More trains on the system can also mean more congestion and slower train speeds. However, train velocity, on a miles per hour basis, has remained steady and locomotive velocity, which we measure as miles per day, is up slightly week over week. So despite more trains on the system, we have been able to move them faster.

This improving performance is also showing up in our weekly movements. In the period leading up to the July 4 holiday, we were moving volumes of nearly 200,000 units each week. Since the holiday, movements have begun to increase with last week's result exceeding 197,000 units. Our Industrial Products unit, which hauls everything from building materials to energy products, reached an all-time high for weekly volumes with 42,099 units moved last week.

In addition to experiencing good performance in deliveries, we continue to make good weekly progress on reducing the number of past due orders for grain cars. For the week, past due grain car orders are down more than 10 percent from the prior week and we continue to be focused on coal loadings and customer stockpiles.

Despite this influx in volume, we continue to see service improvements in all our key metrics. Week-over-week performance for the week of July 22 remained relatively flat, but overall our service metrics continue trending positive when compared to the baseline week of February 7.

Key Service Metrics

On-time performance is down slightly, driven by some lingering effects from the

outages caused by recent flooding. However, we experienced good improvements across our network in other key metrics.

- For the week ending July 22, overall **on-time performance** decreased a little over seven percentage points compared to the prior week, but is still six percentage points better than our baseline week in early February.
- **System velocity**, which is defined as miles per day (MPD), increased to 178 MPD for the week ending July 22 compared to 177 the prior week. The result is close to five percent better than our baseline week in early February when we were at 170.8 MPD.
- Our **trains holding average** is down 53% when compared to the baseline, but it did trend up slightly (3.7%) week-over-week.

As always, we appreciate the opportunity to serve as your transportation service provider and welcome your feedback and questions.

This Service Advisory is intended to inform BNSF customers of temporary service changes or interruptions.

This Service Advisory is posted on our website at www.bnsf.com.

This email was sent to: dowens@mnpower.com

This email was sent by: BNSF Railway
2650 Lou Menk Drive Fort Worth, TX 76131-2830 USA

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David Owens (MP)

From: BNSF Customer Notifications <Customer.Notifications@email.bnsf.com>
Sent: Friday, August 01, 2014 3:42 PM
To: David Owens (MP)
Subject: Service Update for Friday, August 1, 2014

[ALERT – External Email – Handle Accordingly]

To view this email as a web page, go [here](#).

Service Advisory



To: All BNSF Customers

August 1, 2014

Service Update for Friday, August 1, 2014

For the week ending July 29, the BNSF network experienced a good performance result. With nearly 300 more trains on our network compared to our historical average, our Operations team continues to keep trains and locomotives moving at a steady pace.

The seven-day average for trains on the BNSF system was 1,886, which is down six trains from the prior week but up 90 trains from our baseline week in early February. Despite more trains on the system compared to early February, our "total trains holding" measurement is 36.7 percent improved from the week ending February 7 and 7.1 percent better compared to the prior week. Likewise, train and locomotive velocity each improved this week compared to the prior week and against our baseline week. Train velocity, measured in miles per hour, was 2.8 percent better week-over-week and 1.4 percent higher compared to the baseline week. Similarly, locomotive velocity, measured in miles per day (MPD), showed improvement to 250.7 MPD compared to 247.2 for the prior week and 244.9 in early February.

Key Service Metrics

- For the week ending July 29, overall on-time performance was essentially flat compared to the prior week, increasing 10 basis points, but is 24 percentage points better compared to the baseline period.
- Terminal Dwell, which is measured in hours, was also roughly flat at 28.3 for the week ending July 29 compared to 28.2 the prior week. Compared to the baseline week in early February, terminal dwell is 14 percent better at 32.9 hours.
- Total Volume handled for Week 30 was 199,108 units compared to 197,371 units handled in Week 29.

Locomotive Inventory Counts Continue to Increase

For July, locomotive deliveries continue to be on track with 31 additional locomotives delivered for the month and 54 additional locomotives expected in August. Through July 25, we added 274 locomotives to our fleet, closer toward our goal of 500 additional locomotives for the year. Adding locomotives to our fleet is one of the strategies we are using for adding capacity to service our customers.

Tower 55 Outage Planned for August 10

As we enter the final construction phase of Tower 55, a vital rail intersection located in Fort Worth, Texas, a 24-hour outage is scheduled on August 10. BNSF will implement a reroute plan for freight moving through this area, resulting in longer transit times ranging from 1-3 days. The August 10 outage will delay both freight and passenger travel that normally pass through this intersection.

Additional Tower 55 service delays will occur August 14 - 26 as various routes will experience 12-hour out-of-service windows. Rerouting and staging of freight will occur as needed. We will continue to communicate expected service delays to our customers throughout this final phase of construction.

As always, we appreciate the opportunity to serve as your transportation service provider and welcome your feedback and questions.

This Service Advisory is intended to inform BNSF customers of temporary service changes or interruptions.

This Service Advisory is posted on our website at www.bnsf.com.

This email was sent to: dowens@mnpower.com

This email was sent by: BNSF Railway
2650 Lou Menk Drive Fort Worth, TX 76131-2830 USA

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David Owens (MP)

From: BNSF Customer Notifications <Customer.Notifications@email.bnsf.com>
Sent: Friday, August 08, 2014 4:21 PM
To: David Owens (MP)
Subject: Service Update for Friday, August 8, 2014

[ALERT – External Email – Handle Accordingly]

To view this email as a web page, go [here](#).

Service Advisory



To: All BNSF Customers

August 8, 2014

Service Update for Friday, August 8, 2014

This week, BNSF generated improvements in many key operational performance categories. **Car velocity**, measured in miles per day (MPD), improved across the system to 179.1 MPD from 178 MPD the prior week and 170.8 MPD in early February. Likewise, **train velocity** experienced a week-over-week improvement to 14.8 miles per hour, which is better than the 14.6 mph average from the prior week. **Trains holding for power** also showed improvement from the prior week - a 22.2 percent improvement from the week prior. We continue to see small, but steady improvements week-over-week in **on-time performance** with all units on our system improving 60 basis points to 66.3 percent over the prior week, and Intermodal on-time performance improving 1.7 percent. We also made good progress on our past due car orders for our agriculture customers. U.S. past dues were down 17 percent compared to the prior week and now stand at 3,369 past due orders, which is their lowest level since early January.

Mid-Year Capital Update

As we cross the mid-year point, we wanted to update you on our progress toward our 2014 capital expenditure plan. So far this year, we have hired and trained more than 3,900 employees, which represents nearly 80 percent of our goal for the year. As of last week, we were at 55 percent of our goal for new locomotives for the year. Year-to-date, we have acquired 2,100 new cars toward our plan to acquire, replace or extended leases on 5,000 new cars.

We are also making great strides on our expansion and maintenance projects. As of the end of July we are at nearly 50 percent of planned spending in both these categories.

The progress we make in each of these key areas means that we are closer to delivering on our promise to return service to match that which our customers have

historically received from BNSF and are closer to matching capacity to current and future demand growth.

As always, we appreciate the opportunity to serve as your transportation service provider and welcome your feedback and questions.

This Service Advisory is intended to inform BNSF customers of temporary service changes or interruptions.

This Service Advisory is posted on our website at www.bnsf.com.

This email was sent to: dowens@mnpower.com

This email was sent by: BNSF Railway
2650 Lou Menk Drive Fort Worth, TX 76131-2830 USA

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David Owens (MP)

From: BNSF Customer Notifications <Customer.Notifications@email.bnsf.com>
Sent: Friday, August 15, 2014 3:51 PM
To: David Owens (MP)
Subject: Service Update for Friday, August 15, 2014

[ALERT – External Email – Handle Accordingly]

To view this email as a web page, go [here](#).

Service Advisory

To: All BNSF Customers

August 15, 2014

Service Update for Friday, August 15, 2014

This week, BNSF successfully maintained the fluidity of the network with many of the key operational performance categories holding steady from the prior week. **Car velocity**, measured in miles per day (MPD), was 178.1 for the week ending August 12 and flat compared to the prior week. Compared to the baseline week in early February, car velocity is 4.3 percent better or 170.8 MPD.

Train velocity also remained roughly flat at 14.6 miles per hour compared to the prior week when it was 14.7 mph.

Trains holding for power showed a slight improvement from the prior week - better by 2.2 percent with 226.9 trains holding system wide compared to 232 from the prior week. Trains holding remains considerably better than our baseline week when the average was at 363.3 trains.

On-time performance was slightly better for the week coming in at 40 basis points higher than the prior week, and remains 25 percentage points higher than the baseline week in early February.

Additionally, **locomotive inventory counts** continue to rise with 305 additional locomotives acquired year-to-date. By the end of October, we expect 161 new locomotives will be added to the fleet, at a pace of 54 per month.

Total volume handled for Week 32 was 199,429 units compared to 199,363 units handled in Week 31, which makes this the third consecutive week for handling more than 199,000 units. Total trains on the system continued to trend higher with 1,875 total trains on the system for the week - just nine fewer than the prior week.

Finally, the good progress on decreasing the number of **past due car orders** for agriculture customers continued this week. U.S. past dues were down 21 percent

compared to the prior week and now stand at 2,671 past due orders. For coal customers, our **average daily coal deliveries** increased to 734,600 tons, which is up from 716,600 tons delivered the prior week, or 2.5 percent better.

While there will continue to be some week-to-week fluctuations in the performance of our operation due to normal, periodic weather events and planned maintenance and expansion work, we remain focused on executing our plan to increase capacity and strengthen BNSF's service performance. As always, we appreciate the opportunity to serve as your transportation service provider and welcome your feedback and questions.

This Service Advisory is intended to inform BNSF customers of temporary service changes or interruptions.

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This email was sent to: dowens@mnpower.com

This email was sent by: BNSF Railway
2650 Lou Menk Drive Fort Worth, TX 76131-2830 USA

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David Owens (MP)

From: BNSF Customer Notifications <Customer.Notifications@email.bnsf.com>
Sent: Friday, August 22, 2014 2:11 PM
To: David Owens (MP)
Subject: Service Update for Friday, August 22, 2014

[ALERT – External Email – Handle Accordingly]

To view this email as a web page, go [here](#).

Service Advisory

To: All BNSF Customers

August 22, 2014

Service Update for Friday, August 22, 2014

For the week ending August 19, network fluidity statistics were somewhat mixed. Despite these mixed results, BNSF continues to make good progress in key areas.

Here is a look at the key operational performance categories for the week:

Continued good progress in adding **locomotives** to the fleet was achieved with 11 new locomotives added this week, bringing the year-to-date total to 316. Consequently, **locomotive velocity**, measured in miles per day (MPD), improved to 249.2 compared to 248.2 in the prior week. Likewise, **locomotive dwell** was also better by 2.5 percent at 15.5 hours, and **locomotives out of service** decreased by 1.6 percent compared to last week.

Total volume handled for Week 33 was 198,959 units compared to 199,429 units handled in Week 32. Total trains on the system continued to trend higher with an average of 1,880 total trains on the system for the week, which is five more than the prior week.

Good progress in decreasing the number of **past due car orders** for agriculture customers also continued. U.S. past due orders are now at 2,609, at an average of 12.9 days late. Likewise, coal customers experienced higher **average daily coal deliveries** for the week at 744,000 tons, up 30,000 tons delivered compared to the prior week, and nearly 22 percent higher than our baseline week in early February.

Terminal dwell was 28.9 hours for the week ending August 15, which is better by 2 percent, or a half-hour, compared to the prior week.

Car velocity, measured in MPD, was 176.7 for the week ending August 19, down less

than one percent from the prior week. Compared to the baseline week in early February, car velocity is up 3.5 percent.

Train velocity was flat compared to the prior week at 14.6 miles per hour.

Trains holding for power increased 10 percent week over week, driven by a 49 percent increase in the South Region caused by weather-related issues in the southwest and previously planned maintenance and capital projects. Nonetheless, compared to our baseline week in early February, trains holding remains down 31.2 percent.

On-time performance decreased slightly this week, falling 1.1 percentage points, but remains nearly 25 percentage points higher than the baseline week in early February.

As always, we thank you for your business and appreciate the opportunity to serve as your transportation service provider. We welcome your feedback and questions.

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This Service Advisory is posted on our website at www.bnsf.com.

This email was sent to: dowens@mnpower.com

This email was sent by: BNSF Railway
2650 Lou Menk Drive Fort Worth, TX 76131-2830 USA

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David Owens (MP)

From: BNSFCustomerUpdates@bnsf.com
Sent: Sunday, August 24, 2014 2:53 AM
To: David Owens (MP)
Subject: Preliminary Report: Slide at Sully Springs, North Dakota

[ALERT – External Email – Handle Accordingly]

ServiceAdvisory



**To: David Owens
MINNESOTA POWER**

August 24, 2014

Preliminary Report: Slide at Sully Springs, North Dakota

BNSF is currently experiencing operational impact due to a slide event at Sully Springs, North Dakota. Sully Springs, North Dakota is approximately 30 miles west of Dickinson, North Dakota. BNSF engineering personnel are currently on site assessing the situation. At this time, we do not have an estimated time of opening for the track. Customers can expect delays of 36-48 hours through this corridor.

We will provide updates as information becomes available. Shipment information can be found through the secure Rail Central web tool at bnsf.com.

Your shipments that may be delayed include the following, along with ETAs reflected in the BNSF system at the time this advisory was issued:

David Owens (MP)

From: BNSFCustomerUpdates@bnsf.com
Sent: Wednesday, August 27, 2014 4:02 PM
To: David Owens (MP)
Subject: Final Report: Slide at Sully Springs, North Dakota

[ALERT – External Email – Handle Accordingly]

Service Advisory



To: David Owens
MINNESOTA POWER

August 27, 2014

Final Report: Slide at Sully Springs, North Dakota

BNSF is currently experiencing operational impact due to a slide event at Sully Springs, North Dakota. Sully Springs, North Dakota is approximately 30 miles west of Dickinson, North Dakota. BNSF engineering personnel are currently on site. The track was returned to service at 10:30 a.m. Central Time on Wednesday, August 27th, 2014. Customers can expect delays of 48 to 72 hours along this route.

Your shipments that may be delayed include the following, along with ETAs reflected in the BNSF system at the time this advisory was issued:

Destination	ETA	Equipment
DECKER, MT	08/28/2014	BNSF 699193
DECKER, MT	08/28/2014	GCCX 3463
MANDAN, ND	08/27/2014	ADLX 11211
MANDAN, ND	08/27/2014	ADLX 7571
MANDAN, ND	08/27/2014	ADLX 7588
MANDAN, ND	08/27/2014	BN 533459
MANDAN, ND	08/27/2014	BN 533551
MANDAN, ND	08/27/2014	BN 533578
MANDAN, ND	08/27/2014	BN 533952
MANDAN, ND	08/27/2014	BN 534031
MANDAN, ND	08/27/2014	BN 534147
MANDAN, ND	08/27/2014	BN 534163
MANDAN, ND	08/27/2014	BN 534874
MANDAN, ND	08/27/2014	BN 534954
MANDAN, ND	08/27/2014	BN 534988
MANDAN, ND	08/27/2014	BN 535028
MANDAN, ND	08/27/2014	BN 535059

David Owens (MP)

From: BNSF Customer Notifications <Customer.Notifications@email.bnsf.com>
Sent: Friday, September 05, 2014 5:02 PM
To: David Owens (MP)
Subject: Service Update for Friday, September 5, 2014

[ALERT – External Email – Handle Accordingly]

To view this email as a web page, go [here](#).

Service Advisory



To: All BNSF Customers

September 5, 2014

Service Update for Friday, September 5, 2014

For the week ending September 5, our network fluidity statistics trended mostly positive with the most notable improvements occurring in on-time performance system wide and for our intermodal business. Yesterday, we also appeared at a public hearing in North Dakota before the Surface Transportation Board where we gave a progress update and discussed the future outlook.

First, below is a look at the key operational performance categories for the week:

System wide **on-time performance** improved 5.6 points to 72.4 percent with Intermodal on-time performance increasing 9.5 points to 79.6 percent.

Locomotive velocity, measured in miles per day, declined slightly to 250.8 compared to 252.6 in the prior week. Likewise, locomotive dwell was down slightly at 15.4 hours from 15.0 hours the prior week.

Total volume handled for Week 35 was strong at 203,686 units compared to 198,603 units handled in Week 34. Our measurement of **total trains on the system** continues to trend higher with an average of 1,871 total trains on the system for the week, which is just 10 trains fewer than the prior week.

Terminal dwell, as reported to the Association of American Railroads, was 28.9 hours for the week ending August 29, which is 2.4 percent better than the prior week and is the largest percentage improvement among the other Class 1 railroads who report similar data.

Car velocity, measured in miles per day (MPD), was 181.2 for the week ending September 2, an improvement over the 180.5 MPD experienced the prior week. Compared to the baseline week in early February, car velocity is up 6.1 percent.

Train velocity was also up for the week at 14.9 miles per hour, which is 2.1 percent better than the prior week.

Highlights from the Surface Transportation Board Testimony in North Dakota

At yesterday's STB hearing in Fargo, ND, BNSF testified that in four out of the last five months, agriculture volume shipped in the four-state region (SD, ND, MT, MN) on BNSF has surpassed previous peak levels.

The railroad told the Board that it is offering more capacity for the movement of grain than ever before and will run the highest number of shuttles ever during the peak season of October through March. BNSF said it expects a large crop this year and its grain volume transportation capability is expected to increase by 10 to 15 percent as a result of its increased shuttle offering.

The company also gave an outlook for the region saying that there will be continued incremental improvements as more capacity projects come online. The new capacity will be lasting capacity that benefits all of BNSF's customers.

As always, we thank you for your business and appreciate the opportunity to serve as your transportation service provider. We welcome your feedback and questions.

This Service Advisory is intended to inform BNSF customers of temporary service changes or interruptions.

This Service Advisory is posted on our website at www.bnsf.com.

This email was sent to: dowens@mnpower.com

This email was sent by: BNSF Railway
2650 Lou Menk Drive Fort Worth, TX 76131-2830 USA

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David Owens (MP)

From: BNSF Customer Notifications <Customer.Notifications@email.bnsf.com>
Sent: Friday, September 19, 2014 3:11 PM
To: David Owens (MP)
Subject: Service Update for Friday, September 19, 2014

[ALERT – External Email – Handle Accordingly]

To view this email as a web page, go [here](#).

Service Advisory



To: All BNSF Customers

September 19, 2014

Service Update for Friday, September 19, 2014

Extreme weather across the southwestern U.S. created some challenges to our operation this week. Record rainfall and high winds across parts of Arizona, New Mexico and west Texas associated with the remnants of Hurricane Odile caused flooding and washouts across the South Region.

We are also in the peak period for maintenance with all 55 of our capital gangs working on the railroad. One of those programs is the maintenance work being done along our main line between Chicago and Minneapolis-St. Paul where re-routing of some traffic onto alternate routes has been required. Despite these actions, trains are moving faster with increased car velocity across the system.

Below is a look at the key operational performance categories for the week ending September 16:

Total trains held for power was up slightly to 65.9 trains from an average of 60.1 trains the prior week. **Total trains on the system** also increased to 1,895, which is 42 trains more than last week. We continue to be ahead of schedule in adding locomotives to the fleet with 377 new locomotives now in operation against a plan to increase the locomotive fleet by 500 this year.

Locomotive velocity, measured in miles per day (MPD), improved to 250.4 compared to 244.2 MPD during the prior week. Likewise, locomotive dwell also experienced good improvement to 15.8 hours versus 16.9 hours for the prior week.

Car velocity, measured in MPD, was 185.3 for the week ending September 16, which is up from the 180.0 MPD (nearly three percent) recorded the prior week.

Train velocity was also up slightly for the week at 14.8 miles per hour, which is 0.1 miles per hour faster than the prior week.

System wide **on-time performance** dipped to 67 percent from 71.9 percent. Intermodal on-time performance was impacted by the weather conditions in the southwestern U.S. and came in at 64.1 percent, down from 77.4 percent the prior week.

Total volume handled for Week 37 was a robust 204,337 units compared to 192,571 units handled in Week 36.

Terminal dwell was 28 hours for the week ending September 16, which is a 5.1 percent improvement from the prior week.

As always, we thank you for your business and appreciate the opportunity to serve as your transportation service provider. We welcome your feedback and questions.

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David Owens (MP)

From: BNSF Customer Notifications <Customer.Notifications@email.bnsf.com>
Sent: Friday, September 26, 2014 5:16 PM
To: David Owens (MP)
Subject: Service Update for Friday, September 26, 2014

[ALERT – External Email – Handle Accordingly]

To view this email as a web page, go [here](#).

Service Advisory



To: All BNSF Customers

September 26, 2014

Service Update for Friday, September 26, 2014

Despite a variety of operational headwinds experienced this week, fluidity of the network remained mostly steady for the week. Service challenges associated with locomotive power availability at our Barstow hub created some system delays. Flooding issues due to heavy rain from Tropical Storm Odile across parts of New Mexico also affected velocity across the South Region. Across the North, we are aggressively ramping up our capabilities in anticipation of harvest-related volume.

In addition, our maintenance program remains ongoing, particularly across the North Region prior to winter's arrival. The major maintenance work taking place along our main line between Chicago and Minneapolis-St. Paul continues as planned resulting in limitations on capacity and re-routing of some traffic onto alternate routes.

Below is a look at the key operational performance categories for the week ending September 23:

Total trains held for power was up slightly to 66.1 trains from an average of 65.9 trains the prior week. **Total trains on the system** declined to 1,903, which is 10 trains fewer than last week.

Locomotive velocity, measured in miles per day (MPD), slowed to 248.3 compared to 251.2 MPD during the prior week. Likewise, locomotive dwell also lengthened to 16.5 hours versus 15.8 hours for the prior week.

Car velocity, measured in MPD, was 181.7 for the week, which is a two percent decrease from the 185.5 MPD recorded the prior week.

Train velocity was essentially unchanged for the week at 14.7 miles per hour, which is

0.1 miles per hour slower than the prior week.

Total volume handled for Week 38 once again topped the 200,000 mark at 203,893 units handled for the week.

Terminal dwell was 27.8 hours for the week, which is nearly flat to the prior week, which was 27.6 hours.

As always, we thank you for your business and appreciate the opportunity to serve as your transportation service provider. We welcome your feedback and questions.

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David Owens (MP)

From: BNSF Customer Notifications <Customer.Notifications@email.bnsf.com>
Sent: Friday, October 03, 2014 5:02 PM
To: David Owens (MP)
Subject: Service Update for Friday, October 3, 2014

[ALERT – External Email – Handle Accordingly]

To view this email as a web page, go [here](#).

ServiceAdvisory



To: All BNSF Customers

October 3, 2014

Service Update for Friday, October 3, 2014

With the impacts from Tropical Storm Odile now behind us, the network experienced modest improvements this week. Nonetheless, the operation did encounter some headwinds during the week due to heavy rains across southern Iowa and Nebraska, particularly around the Lincoln area. This affected velocity in the Central Region due to the need for track repairs caused by flash flooding as well as additional track inspections to ensure safe operating conditions.

Across the North Region, our ongoing maintenance program continues to result in the re-routing of some traffic onto alternate routes. In addition, heavy volume and interchange congestion in Chicago have created additional challenges. We continue to evaluate and, in some cases, implement alternate routing solutions to alleviate these congestion delays.

Below is a look at the key operational performance categories for the week ending September 30:

Total trains held for power improved by more than eight percent at 60.6 trains, down from an average of 66.1 trains held the prior week. **Total trains on the system** continues to be robust, increasing to 1,927, which is 24 trains more than last week.

Locomotive velocity, measured in miles per day (MPD), improved slightly to 249.2 compared to 248.3 MPD during the prior week. **Locomotive dwell** was essentially unchanged at 16.6 hours versus 16.5 hours for the prior week.

Car velocity, measured in MPD, also improved for the week at 186.1, which is nearly two and a half percent better than the 181.8 MPD recorded the prior week.

Train velocity was essentially unchanged for the week at 14.6 miles per hour, which is 0.1 miles per hour slower than the prior week.

For the third week in a row, **total volume** handled was strong, topping the 200,000 mark at 202,233 units handled in Week 39.

Terminal dwell improved to 27.6 hours for the week, which is 12 minutes better than the prior week.

As always, we thank you for your business and appreciate the opportunity to serve as your transportation service provider. We welcome your feedback and questions.

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David Owens (MP)

From: BNSF Customer Notifications <Customer.Notifications@email.bnsf.com>
Sent: Friday, October 10, 2014 4:29 PM
To: David Owens (MP)
Subject: Service Update for Friday, October 10, 2014

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Service Advisory

To: All BNSF Customers

October 10, 2014

Service Update for Friday, October 10, 2014

This week, our operation moved the largest weekly unit volume of the year so far. Despite the large volume, our operation remained fluid during the period. The network experienced no major interruptions across the North, Central and South regions. With increasing capacity demands associated with the upcoming holiday season and an expected record harvest, we continue to work diligently to manage elements that impact velocity.

Maintenance and expansion work along the network also continues, particularly in the upper Midwest and Northern Plains, to ensure we complete the planned work ahead of winter's arrival. In Chicago, which remains a source of congestion associated with heavy volume and interchange switching, we continue to evaluate and, in some cases, implement the re-routing of trains through alternate gateways, such as Kansas City and St. Louis.

Below is a look at the key operational performance categories for the week ending October 7:

Total trains held for power for the week was an average of 64.6, which is up from the 60.6 trains held the prior week. **Total trains on the system** continues to be robust, increasing to 1,938, which is 11 trains more than last week.

Locomotive velocity, measured in miles per day (MPD), declined slightly to 248.4 compared to 249.2 MPD during the prior week. **Locomotive dwell** was essentially unchanged at 16.7 hours versus 16.6 hours for the prior week.

Car velocity, measured in MPD, declined slightly for the week at 183.7, which is one and a half percent lower than the 186.6 MPD recorded the prior week.

Train velocity was also down slightly for the week at 14.4 miles per hour, which is 0.2

miles per hour slower than the prior week.

Total volume handled this week was the year's biggest to-date, once again topping the 200,000 mark at 208,554 units handled in Week 40.

Terminal dwell increased by less than one percent to 27.7 hours for the week, which is six minutes longer than the prior week.

As always, we thank you for your business and appreciate the opportunity to serve as your transportation service provider. We welcome your feedback and questions.

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David Owens (MP)

From: BNSF Railway <Customer.Notifications@email.bnsf.com>
Sent: Friday, October 17, 2014 5:13 PM
To: David Owens (MP)
Subject: Service Update for Friday, October 17, 2014

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To view this email as a web page, go [here](#).

Service Advisory



To: All BNSF Customers

October 17, 2014

Service Update for Friday, October 17, 2014

This week, the operation maintained good fluidity throughout the network by generating improved train and locomotive velocity across the system. Additionally, we continue to make great progress in adding a second track on the Glasgow sub, which operates from Minot, ND to Glasgow, MT. Last weekend, we put into service an additional six miles of double-track, bringing our total to nearly 50 miles of new double-track added to this important, busy section of track that operates across our Northern corridor.

While we are adding capacity, we are also continuing our aggressive maintenance work, particularly between Minneapolis/St. Paul and Chicago, to ensure our infrastructure remains as fluid as possible. As we prepare for the winter season and work to anticipate future congestion challenges, we are examining the opportunities in Chicago to minimize the impact that heavy volume and interchange with connecting rail carriers can have on our operation. We are also readying the operation for the upcoming winter season by testing and pre-positioning equipment as well as adding resources to help ensure we are better prepared for the possibility of extreme winter conditions.

Below is a look at the key operational performance categories for the week ending October 14.

Total trains held for power for the week was an average of 62.9, which improved nearly three percent from the prior week. **Total trains on the system** continues to be robust with an average of 1,923 trains on the system for the week, but is 33 trains fewer than last week. Fewer trains on the system creates an opportunity for improved velocity.

Locomotive velocity, measured in miles per day (MPD), increased to 254.7 compared to 248.9 MPD during the prior week. **Locomotive dwell** was essentially unchanged at 16.7 hours versus 16.8 hours for the prior week.

Car velocity, measured in MPD, improved for the week at 187.6, which is more than two percent better than the 183.7 MPD recorded the prior week.

Train velocity was also improved for the week at 14.9 miles per hour. The improvement is 3.5 percent faster than the prior week.

Total volume handled was strong once again at 207,973 units handled in Week 41. The weekly result makes this the fifth consecutive week of handling more than 200,000 units.

Terminal dwell increased by less than two percent to 28.2 hours for the week, which is 30 minutes longer than the prior week.

As always, we thank you for your business and appreciate the opportunity to serve as your transportation service provider. We welcome your feedback and questions.

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David Owens (MP)

From: BNSF Railway <Customer.Notifications@email.bnsf.com>
Sent: Friday, October 24, 2014 4:46 PM
To: David Owens (MP)
Subject: Service Update for Friday, October 24, 2014

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To: All BNSF Customers

October 24, 2014

Service Update for Friday, October 24, 2014

For the third week in a row, the operation maintained good fluidity across the network and traffic throughput remained high. Additionally, our maintenance teams continue to do an outstanding job on planning and executing track and bridge maintenance projects.

In particular, this week a 30-hour maintenance window was created on the St. Joseph subdivision, which runs from Kansas City to Lincoln, NE. The window was opened to perform a large maintenance project. These types of maintenance projects ensure that BNSF is able to keep tracks and infrastructure in top condition and help generate maximum velocity. In total, 170 crew members replaced two bridges totaling 370 feet, resurfaced thousands of feet of track, repaired and replaced several track crossings and completed many other maintenance projects. The team's work was completed a full two hours or 15 percent faster than projected and allowed the transportation team to bring the subdivision back online earlier than planned to benefit customers sooner.

As announced last week, we continue to ready the operation for the upcoming winter season and we will be communicating more about those efforts early next week.

Below is a look at the key operational performance categories for the week ending October 21.

Total trains held for power for the week was an average of 61.9, which improved about 2 percent from the prior week. **Total trains on the system** remains high with an average of 1,936 trains on the system for the week and is 33 more trains than last week.

Locomotive velocity, measured in miles per day (MPD), was 253.1 compared to 254.7 MPD during the prior week. **Locomotive dwell** was up slightly at 17.0 hours versus 16.7 hours for the prior week. We continue to be ahead of schedule in **adding locomotives** to the fleet with 430 new locomotives now in operation against a plan to increase the locomotive fleet by 500 this year.

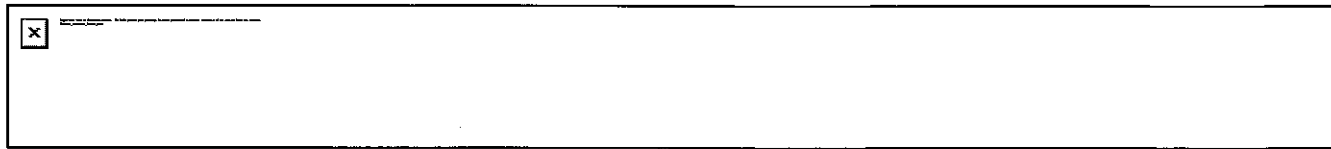
Car velocity, measured in MPD, improved for the week at 188.2, which is 10 basis points better than the 188.0 MPD recorded the prior week.

Train velocity was flat for the week at 14.9 miles per hour.

Total volume handled once again was strong at 205,106 units handled in Week 42. The weekly results makes this the sixth consecutive week of handling more than 200,000 units.

Terminal dwell remained steady at 28.2 hours for the week as we experience no change from the prior week.

As always, we thank you for your business and appreciate the opportunity to serve as your transportation service provider. We welcome your feedback and questions.



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David Owens (MP)

From: BNSF Customer Notifications <Customer.Notifications@email.bnsf.com>
Sent: Friday, October 31, 2014 4:31 PM
To: David Owens (MP)
Subject: Service Update for Friday, October 31, 2014

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To: All BNSF Customers

October 31, 2014

Service Update for Friday, October 31, 2014

This week, the operation maintained good fluidity throughout the network. Additionally, even as freight volumes approach record high levels, we continue to generate improved train and locomotive velocity across the system.

While we have experienced favorable weather across the network in recent weeks, another winter season will soon be here. In addition to the winter action plans in place for all 12 BNSF operating divisions, we announced new steps this week to address any extreme weather-related service interruptions. Additional resources, including expanded rapid response teams, more snow removal equipment and switch heaters, will be deployed across key parts of the network. We have also prepared this [fact sheet](#) to help describe BNSF's winter preparations and plans.

Our aggressive capacity expansion and maintenance schedule continues on several major projects, particularly along the Minneapolis/St. Paul to Chicago main line. Network management has been able to minimize the impact on system operations in that area, including a sizeable reduction in the number of trains held this week.

Below is a look at the key operational performance categories for the week ending October 28.

Total trains held for power for the week was an average of 59.7, which is 3.5 percent better than the prior week. **Total trains on the system** remains high with an average of 1,953 trains on the system for the week, which is four more trains than last week.

Locomotive velocity, measured in miles per day (MPD), was 258.7 compared to 253.9 MPD during the prior week. **Locomotive dwell** was down at 16.7 hours versus 17.0 hours for the prior week.

Car velocity, measured in MPD, improved for the week at 191.7, which is nearly two percent better than the 188.5 MPD recorded the prior week.

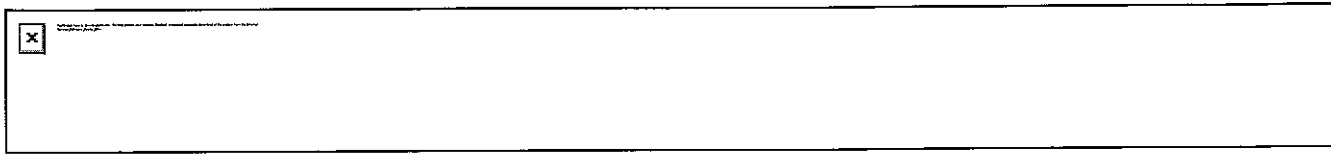
Train velocity was also improved for the week at 15.2 miles per hour. The improvement is two percent faster than the prior week.

Total volume handled was strong once again at 213,890 units handled in Week 43. The

weekly results make this the seventh consecutive week of handling more than 200,000 units.

Terminal dwell was down 3.5 percent from the prior week at 27.2 hours.

As always, we thank you for your business and appreciate the opportunity to serve as your transportation service provider. We welcome your feedback and questions.



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David Owens (MP)

From: BNSF Customer Notifications <Customer.Notifications@email.bnsf.com>
Sent: Friday, November 07, 2014 1:01 PM
To: David Owens (MP)
Subject: Service Update for Friday, November 7, 2014

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Service Advisory

BNSF
RAILWAY

To: All BNSF Customers

November 7, 2014

Service Update for Friday, November 7, 2014

The operation once again maintained good fluidity this week experiencing favorable conditions across the network. Maintaining train and locomotive velocity is notable because it is occurring while having a higher than average number of trains on the system as we deliver some of our largest volumes of the year.

With winter fast approaching, we are wrapping up work on several major projects across the North Region. This week, we completed an additional eight miles of double track on our Glasgow Subdivision, which runs from Minot, ND to Eastern Montana. Maintenance work in the Dilworth, MN area is also ending, while work along the Minneapolis/St. Paul to Chicago main line is scheduled to finish in early December.

We anticipate that the first blast of Arctic air will arrive across the upper Midwest and Northern Plains next week. This early season cold snap will bring temperatures as low as the 10s and 20s in some areas, as well as the chance for accumulating snow, starting Monday. As we noted last week, BNSF has implemented additional resources to address any winter weather-related service interruptions.

We also continue to monitor the labor slowdowns affecting operations at ports in the Pacific Northwest. While effects on service have been manageable to this point, BNSF will continue to evaluate and, in some cases, implement new procedures to minimize any impacts on service throughout the network.

Below is a look at the key operational performance categories for the week ending November 4:

Total trains held for power for the week was an average of 51.0, which is 14.6 percent better than the prior week. **Total trains on the system** remains high with an average of 1,937 trains on the system, which is down from 1,953 or less than one percent from the prior week.

Locomotive velocity, measured in miles per day (MPD), was 255.0 compared to 258.7 MPD the prior week. **Locomotive dwell** improved slightly at 16.5 hours versus 16.7 hours for the prior week.

Car velocity, measured in MPD, was slightly slower for the week at 189.7, which is down one percent from the 191.9 MPD recorded the prior week.

Train velocity remained steady for the week at 15.1 miles per hour.

Total volume handled was strong once again at 210,306 units handled in Week 44. The weekly result makes this the eighth consecutive week of handling more than 200,000 units.

Terminal dwell was up just over two percent this week at 27.8 hours compared to 27.2 the prior week.

As always, we thank you for your business and appreciate the opportunity to serve as your transportation service provider. We welcome your feedback and questions.

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David Owens (MP)

From: BNSF Customer Notifications <Customer.Notifications@email.bnsf.com>
Sent: Friday, November 14, 2014 5:10 PM
To: David Owens (MP)
Subject: Service Update for Friday, November 14, 2014

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Service Advisory



To: All BNSF Customers

November 14, 2014

Service Update for Friday, November 14, 2014

The operation experienced an early outbreak of winter weather that impacted much of the North and Central Regions this week. All-time record cold temperatures for November were set in many locations, including some that had stood for over a century. While operation performance remained steady during the early portion of the week, there were some effects on network fluidity due to the unfavorable conditions.

As fluidity continues to improve heading into the weekend, the frigid temperatures require BNSF to reduce train lengths in the affected North and Central Regions. With this unseasonably cold weather not expected to retreat until the middle of next week, these restrictions will remain in place over the next few days.

Despite the current cold snap, maintenance work continues along the Minneapolis/St. Paul to Chicago main line, as well as between Galesburg, IL and Chicago. We expect this work to conclude over the next few weeks.

In addition, the labor dispute affecting operations at ports in the Pacific Northwest and California remains an ongoing issue. With work slowdowns causing some disruption to export/import traffic, BNSF will continue to evaluate and, in some cases, implement procedures to minimize any impacts on service.

Below is a look at the key operational performance categories for the week ending November 11:

Total trains held for power for the week was an average of 48.3, which is over five percent better than the prior week. **Total trains on the system** remains high with an average of 1,902 trains on the system, but down nearly three percent from the prior week.

Locomotive velocity, measured in miles per day (MPD), was 254.3 compared to 255.6 MPD the prior week. **Locomotive dwell** increased slightly to 16.7 hours versus 16.6 hours for the prior week.

Car velocity, measured in MPD, was slightly slower for the week at 188.9, which is down less than one percent from the 189.7 MPD recorded the prior week.

Train velocity remained steady for the week at 15.1 miles per hour.

Total volume handled was strong once again at 208,206 units handled in Week 45. The weekly result makes this the ninth consecutive week of handling more than 200,000 units.

Terminal dwell was down over one percent this week at 27.4 hours compared to 27.8 the prior week.

As always, we thank you for your business and appreciate the opportunity to serve as your transportation service provider. We welcome your feedback and questions.

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David Owens (MP)

From: BNSF Customer Notifications <Customer.Notifications@email.bnsf.com>
Sent: Friday, November 21, 2014 3:01 PM
To: David Owens (MP)
Subject: Service Update for Friday, November 21, 2014

[ALERT – External Email – Handle Accordingly]

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November 21, 2014

Service Update for Friday, November 21, 2014

The operation experienced some velocity challenges this week due primarily to frigid conditions continuing to impact the North and Central Regions. This unseasonably cold weather caused some modest traffic slowdowns as well as some negative effects on network fluidity. With network infrastructure adapting quickly to this early winter environment, we expect a continued improvement in train flows and car velocity heading into December.

We also experienced some service interruptions and backlogs associated with a derailment that occurred last week near Casselton, North Dakota, which affected both main tracks. Due to the incident, we implemented some rerouting of trains to alleviate backlogs on affected subdivisions. Train flows and routing through this area have returned to normal.

Periodic service disruptions continue to occur as a result of the ongoing labor situation at the ports in the Pacific Northwest. As a result of work slowdowns at these ports, we have responded by implementing temporary restrictions for some export/import traffic at several of our hubs. While hoping for a resolution in the near future, BNSF will continue to evaluate and, in some cases, implement additional procedures to minimize impacts on service.

With a relentless focus on strengthening our service, yesterday we announced our planned capital expenditures for 2015 will be \$6 billion, which will go toward maintenance and expansion of the railroad. The 2015 plan marks the third year in a row that BNSF has committed a record amount for capital investments. We will announce the details for the various line capacity and maintenance projects we are planning for 2015 early next year.

Below is a look at the key operational performance categories for the week ending November 18:

Total trains held for power for the week was an average of 68.7, which is a 42 percent increase from the prior week. The overall number of trains held, however, was slightly lower, down 0.8 percent, as trains held for crew improved considerably to our lowest level this year. **Total trains on the system** remains high with an average of 1,885 trains on the system, which is down less than one percent from the prior week.

Locomotive velocity, measured in miles per day (MPD), was 244.5 compared to 254.3 MPD the prior week. **Locomotive dwell** increased slightly at 16.9 hours versus 16.7 hours for the prior week.

Car velocity was 180.8 MPD, which is down about four percent from the 188.9 MPD recorded the prior week.

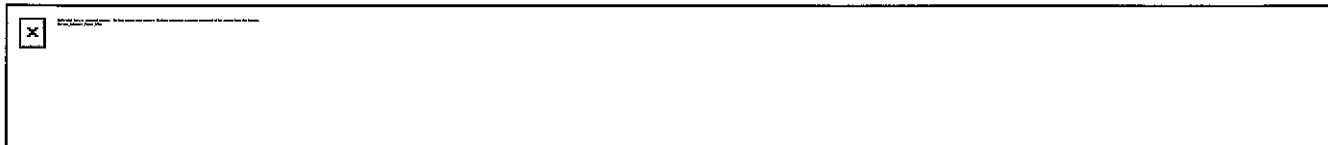
Train velocity for the week was down three percent at 14.6 miles per hour.

Total volume handled remained heavy, with an industry-leading 204,827 units in Week 46. The weekly result makes this the tenth consecutive week of handling more than 200,000 units.

Terminal dwell was up over three percent this week at 28.3 hours compared to 27.4 the prior week.

As always, we thank you for your business and appreciate the opportunity to serve as your transportation service provider. We welcome your feedback and questions.

Note: With the upcoming Thanksgiving holiday, our next service update will be delivered on Friday, December 5.



This email was sent to: dowens@mnpower.com

This email was sent by: BNSF Railway
2650 Lou Menk Drive Fort Worth, TX 76131-2830 USA

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David Owens (MP)

From: BNSF Customer Notifications <Customer.Notifications@email.bnsf.com>
Sent: Friday, December 12, 2014 5:01 PM
To: David Owens (MP)
Subject: Service Update for Friday, December 12, 2014

[ALERT – External Email – Handle Accordingly]

To view this email as a web page, go [here](#).

Service Advisory



To: All BNSF Customers

December 12, 2014

Service Update for Friday, December 12, 2014

The operation continued to experience strong gains in on-time performance and train velocity across all business groups this week. Good fluidity was maintained throughout the network with very favorable weather conditions for this time of year. With no outbreak of unseasonably cold temperatures in the forecast, the conditions exist for greater performance improvement heading into our last week of autumn.

As we referenced last week, additional locomotive availability has been a significant factor in our improved performance. We have greatly reduced the number of trains holding for power, essentially to being a non-issue right now in the North and Central Regions. More available locomotives have also allowed us to clear backlogs at some of our hubs, such as Pasco, Washington, and allow trains to get in and out of our terminals more quickly.

We also continue to work with customers affected by the ongoing labor situation at ports in the Pacific Northwest. This has involved daily monitoring as well as additional planning to manage both inbound and outbound shipments. With contract negotiations between port operators and dockworkers expected to resume next week, we continue to hope for a resolution in the near future.

Below is a look at the key operational performance categories for the week ending December 9:

Total trains held for power for the week was an average of 33.0, which is a 31 percent improvement from the prior week. **Total trains on the system** was essentially unchanged from the prior week with an average of 1,814 trains on the system.

Locomotive velocity, measured in miles per day (MPD), improved to 268.0 compared to 247.9 MPD the prior week. **Locomotive dwell** also improved to 17.2 hours versus 18.0 hours for the prior week.

Car velocity was up nearly seven percent at 203.0 MPD versus 190.4 MPD recorded the prior

week.

Train velocity also improved strongly for the week, up over seven percent at 16.6 miles per hour.

System wide **on-time performance** held steady at 77 percent for the week. Intermodal on-time performance remained slightly above the system wide result at 78.6 percent, up more than one percent from the prior week.

Total volume bounced back from the drop-off due to the Thanksgiving holiday with a robust 203,743 units handled in Week 49. This is the 19th week in 2014 that total volume has exceeded 200,000 units.

Terminal dwell was down nearly nine percent this week at 26.1 hours compared to 28.6 the prior week.

As always, we thank you for your business and appreciate the opportunity to serve as your transportation service provider. We welcome your feedback and questions.

This Service Advisory is intended to inform BNSF customers of temporary service changes or interruptions.

This Service Advisory is posted on our website at www.bnsf.com.

This email was sent to: dowens@mnpower.com

This email was sent by: BNSF Railway
2650 Lou Menk Drive Fort Worth, TX 76131-2830 USA


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David Owens (MP)

From: BNSF Customer Notifications <Customer.Notifications@email.bnsf.com>
Sent: Friday, December 19, 2014 5:01 PM
To: David Owens (MP)
Subject: Service Update for Friday, December 19, 2014

[ALERT – External Email – Handle Accordingly]

To view this email as a web page, go [here](#).



To: All BNSF Customers

December 19, 2014

Service Update for Friday, December 19, 2014

Our operation experienced another week of improving car velocity and steady on-time performance. Aided by the impact of additional resources and capacity, along with generally favorable weather conditions, we maintained good fluidity throughout the network even as we handled one of our largest weekly volumes of the year. As we come to the official beginning of winter and year's end, our typical winding down of maintenance projects also helped to improve fluidity.

We also continue to add additional locomotives to the operation, which has steadily reduced the number of trains holding for power. In the last month, we have reduced this number by more than 50 percent, a significant factor in our improved performance. Looking into 2015, we expect to make even more performance gains with the 330 new locomotives that will be added to our fleet next year.

As previously noted, we continue to monitor the ongoing labor situation at the West Coast ports. While negotiations between port operators and dockworkers continue, we are actively responding to changing conditions affecting both inbound and outbound shipments. We remain hopeful for a resolution in the near future.

During the upcoming holiday period, BNSF will remain fully operational according to normal schedules, except where customer volume requires reduced local operations. This will enable continued reduction in railcar inventories and build on our improving network momentum.

Below is a look at the key operational performance categories for the week ending December 16:

Total trains held for power for the week was an average of 22.6, which is a nearly 32 percent improvement from the prior week. **Total trains on the system** remains elevated and essentially unchanged from the prior week with an average of 1,822 trains on the system.

Locomotive velocity, measured in miles per day (MPD), improved to 271.2 compared to 268.0 MPD the prior week. Locomotive dwell increased slightly to 17.7 hours versus 17.2 hours for the prior week.

Car velocity was slightly improved at 205.9 MPD versus 203.4 MPD recorded the prior week.

Train velocity also improved, up nearly two percent at 16.8 miles per hour.

System wide **on-time performance** held steady at 74 percent for the week. Intermodal on-time performance was slightly below the system wide result at 72.3 percent.

Total volume was heavy with a robust 210,998 units in Week 50. This represents our second highest weekly total of the year, and our 20th week in 2014 that total volume has exceeded 200,000 units.

Terminal dwell was down slightly this week at 25.7 hours compared to 26.1 the prior week.

As always, we thank you for your business and appreciate the opportunity to serve as your transportation service provider. We welcome your feedback and questions.

Note: Due to the upcoming Christmas and New Year's holidays, and the expectation that many of our customers will be out of the office, our next service update will be delivered on Friday, January 9.



This email was sent to: dowens@mnpower.com

This email was sent by: BNSF Railway
2650 Lou Menk Drive Fort Worth, TX 76131-2830 USA

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David Owens (MP)

From: BNSF Customer Notifications <Customer.Notifications@email.bnsf.com>
Sent: Friday, December 05, 2014 4:49 PM
To: David Owens (MP)
Subject: Service Update for Friday, December 5, 2014

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To view this email as a web page, go here.

Service Advisory



To: All BNSF Customers

December 5, 2014

Service Update for Friday, December 5, 2014

The operation remained fluid over the past week with strong gains in on-time performance across all business groups. With Thanksgiving behind us and freight volumes returning to their traditional levels, locomotives are becoming more available and favorable conditions exist for improved velocity and network performance as we approach the New Year. We also expect milder, above average temperatures throughout much of the network, particularly in the North Region, during the upcoming week.

While the network experienced a week of good fluidity, the operation had to manage some service interruptions and backlogs. A derailment on December 1 near Wadena, Minnesota affected both main tracks, with one main track returning to service about 24 hours after the incident. Train flows and routing through this area have returned to normal.

BNSF received the last two locomotives of our initial 2014 order this week, which bolsters our fleet by 500 this year. We will also take delivery of several additional locomotives through the end of December, and we have reallocated some locomotives as a result of changing market conditions. As part of our announced 2015 capital plan, BNSF will also take delivery of 330 new energy and fuel-efficient locomotives next year.

We also continue to manage service inconsistencies at ports in the Pacific Northwest due to the ongoing labor situation. Restrictions on some export/import traffic at several of our hubs have been implemented and, in some cases, subsequently withdrawn based on a daily evaluation of conditions. With port operators and dockworkers resuming contract negotiations this week, we continue to hope for a resolution in the near future.

Below is a look at the key operational performance categories for the week ending December 2:

Total trains held for power for the week was an average of 47.9, which is an 18 percent decrease from the prior week. **Total trains on the system** remains elevated with an average of 1,816 trains on the system but is down four percent from the prior week.

Locomotive velocity, measured in miles per day (MPD), was 247.2 compared to 253.3 MPD the prior week. **Locomotive dwell** increased to 18.0 hours versus 16.9 hours for the prior week.

Car velocity held mostly steady at 190.0 MPD versus 190.6 MPD recorded the prior week.

Train velocity improved for the week up over one percent at 15.5 miles per hour.

System wide **on-time performance** was 77 percent for the week. Intermodal on-time performance came in slightly above the system wide result at 77.7 percent, up 39 percent from the prior week.

Total volume was down as a result of the Thanksgiving holiday with 181,489 units in Week 48. While still robust, this ends a streak of 11 consecutive weeks of total volume exceeding 200,000 units.

Terminal dwell was up 2.5 percent this week at 28.6 hours compared to 27.9 the prior week.

As always, we thank you for your business and appreciate the opportunity to serve as your transportation service provider. We welcome your feedback and questions.

This Service Advisory is intended to inform BNSF customers of temporary service changes or interruptions.

This Service Advisory is posted on our website at www.bnsf.com.

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2650 Lou Menk Drive Fort Worth, TX 76131-2830 USA

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BAKKEN

COAL TRUCKS

Basin takes to the highway to get coal delivered

JANUARY 06, 2014 3:33 PM • BY LAUREN DONOVAN

HAZEN — A busy railroad has put Basin Electric Power Cooperative's coal out on the highway this month and possibly longer.



Starting last week, a fleet of dump trucks owned by Northern Improvement has been running up and down Highway 200 supplementing coal deliveries that can't be met on the BNSF Railway.

Basin spokesman Curt Pearson said trucks are making up to 250 hauls a day combined to keep up with what can be normally

delivered in two train loads.

That's a lot of heavy truck traffic, two passes for each of those loads there and back, and Mercer County Sheriff Dean Danzeisen said it's definitely noticeable.

So far, so good, he said. "There haven't been any crashes and they are spacing out so they're (trucks) not in a pack," he said.

The lignite is mined at the Coteau mine. It's trucked about 35 miles from Basin's conveyor at the Antelope Valley Station through Hazen on the bypass to the Leland Olds stations at Stanton where it's burned for electricity.

Pearson said Basin turned to truck hauls because BNSF can't always get two, 60-car coal trains out on the track every day.

He said Basin has a fairly narrow window of time to get a coal train loaded and if it can't make the roughly two-hour window, BNSF used to be able to be flexible.

Now, partly because of an oil transload near Zap, the track is busier and the railroad doesn't have enough crew to fill in.

Pearson said problems with getting two train deliveries a day started last summer, but it's even more difficult to meet the schedule in the cold because lignite freezes to the sides of the rail cars and the chunks have to be knocked down before reloading.

Pearson said the railroad is planning to add more crew to help the situation. He said Basin plans to run the trucks through the end of January and then evaluate its Leland Olds coal supply at that time.

Basin takes to the highway to get coal delivered : Energy News

The plant burns about 12,000 tons a day.

Northern Improvement is parking trucks overnight at the former Glen Harold Mine site, near Stanton, and Antelope Valley at the end of the 10-hour shifts.

Soaring North Dakota oil production pushing crude to rails

By John Hageman Forum News Service TwinCities.com-Pioneer Press

Posted:

TwinCities.com

An oil boom in North Dakota has brought a flood of workers, infrastructure investment and tax revenues.

But as production soared, it became increasingly difficult to move oil out of the region as pipeline capacity lagged behind.

Enter trains.

The railroads that helped settle the American West more than a century ago are now helping to fuel a new frontier: oil shale production that has reshaped western North Dakota.

Analysts and those doing business in the Bakken say there wasn't enough existing pipeline infrastructure to handle the rapid increases in crude oil being pumped out of the ground, forcing companies to find other ways to move it across the country. Since then, they are finding that trains have advantages over shipping by pipelines, despite its higher cost.

The transportation shift was swift and drastic. Pipeline transported 74 percent of the oil coming from the Williston Basin in January 2007, as advances in hydraulic fracturing and horizontal drilling began unlocking vast amounts of crude oil from underneath North Dakota.

Rail, on the other hand, transported none of that newly accessed crude.

Last November, rail shipped 71 percent -- nearly 800,000 barrels of oil a day -- of the basin's oil, while pipelines shipped just 22 percent, according to estimates from the North Dakota Pipeline Authority. Meanwhile, the number of railcars carrying crude oil on major freight railroads in the U.S. is projected to have grown by more than 6,000 percent between 2007 and 2013, according to the Association of American Railroads.

But that rapid increase also comes as several recent high-profile wrecks have prompted the attention of lawmakers and federal regulators. The closest of those was in Casselton, N.D., about 20 miles west of Fargo, where more than a dozen tank cars derailed in December, prompting the evacuation of the small town after explosions and smoke darkened the sky. That came about two months after another train derailed in Alabama, and after a far more tragic crash in Quebec last summer killed 47 people.

Industry officials are hesitant to link increased crude-by-rail shipments to more spills, and point out that such crashes are extremely rare. And most say trains will continue to have a role in crude oil transportation in what is now the nation's second-leading oil producing state.

SEEKING CERTAINTY

By the end of 2007, oil companies could move 230,000 barrels per day by pipeline out of the Williston Basin -- which includes western North Dakota, eastern Montana and part of South

Dakota -- or to North Dakota's only refinery, the Tesoro facility in Mandan. At the time, wells in the region were producing almost as much as that.

But production in the basin soared rapidly -- largely in North Dakota -- to more than a million barrels per day this past September. By the end of 2013, pipelines and the refinery could handle about 583,000 barrels per day, or about 60 percent, according to estimates from the North Dakota Pipeline Authority.

"Building pipelines requires some certainty," said Steve Magness, managing director of Bakken Oil Express, a rail loading facility near Dickinson, N.D. "And not everybody was just that certain that hydraulic fracturing and horizontal drilling and all that stuff was really going to work as well as it has. And so there was a lot of hesitancy to invest large amount of money in pipelines and gathering systems until everybody knew that it would work."

In the meantime, trains have filled in.

According to the pipeline authority, the state's rail export capacity was 30,000 barrels per day at the end of 2008. That capacity grew to 965,000 barrels per day at the end of 2013.

Adding new pipelines can be more cumbersome than adding crude oil unit trains to existing tracks, analysts said. Constructing new infrastructure, whether it's pipelines or rail lines, can involve negotiating with individual landowners in order to acquire right of way, said John Duff, an analyst at the Energy Information Administration.

"And that can be a nightmare," he said. "(Rail) already did this exercise."

Still, pipeline and refinery capacity in the Williston Basin is expected to reach almost 1.2 million barrels per day by 2016, according to the pipeline authority. That estimate includes the long-delayed Keystone XL pipeline, which North Dakota lawmakers have pushed for in the wake of the Casselton train derailment but still awaits the Obama administration's approval.

Pipelines remain the dominant form of moving crude oil across the country. In 2012, 7.5 billion barrels of crude oil were transported by interstate pipelines, according to John Stoodly, a spokesman for the Association of Oil Pipelines, compared to the 286 million barrels that is projected to have moved by rail in 2013.

'A BRIGHT SPOT'

The recent crude oil phenomenon has been a boost for railroads, even if the commodity represents a relatively small portion of the industry's total haul.

"It's the type of revenue that any company would like to have," said Barton Jennings, a professor of supply chain management at Western Illinois University and a member of the National Railway Historical Society. "It's not revenue they thought would be there."

BNSF's revenues grew from \$14 billion in 2009 to almost \$21 billion in 2012, though it's not clear exactly how much crude oil had to do with that increase. Crude oil only accounts for 4

percent of the total network volume for BNSF, the largest railroad operator in North Dakota, according to company spokeswoman Amy McBeth.

Graham Brisben, CEO of PLG Consulting in Chicago, said rail shipments usually correlate along the nation's gross domestic product. So in the early years of the recession, when GDP declined, so did rail shipments before rebounding in the past few years, according to the AAR.

Crude oil and sand used in the hydraulic fracturing process have provided some positive news for the rail industry in the midst of declining coal shipments.

"For the railroad industry, it's been a bright spot," Brisben said.

Companies like BNSF have made significant infrastructure investments to accommodate the newfound business. In North Dakota alone, it has spent \$540 million over the past four years, and its Williston Basin oil transport capacity reached 1 million barrels per day in 2012.

"These investments across the state strengthen our privately funded rail infrastructure and not only make it safer, they also enable BNSF to support the state's growing freight traffic for all industries and we plan to continue investing just as aggressively in 2014," McBeth wrote in an email.

The enormous increase in crude-by-rail shipments has also kept tank car manufacturers busy. As of September, there were 58,910 tank car orders on backlog, according to Richard Kloster, a consultant at FTR Consulting Group, who guessed "at least half of those cars are sized and spec'd for moving crude oil."

"And it's not just North Dakota. It's also Texas and in particular, the (Canadian) oil sands."

Indeed, foreign rail shipments in 2012 jumped by about 10,000 -- from 1,000 to 11,000 -- from the previous year, according to the Institute for Energy Research.

'CRITICAL' ROLE

Rail facilities, which receive oil by truck or pipelines before being loaded into tank cars, have sprung up across the Bakken region since the beginning of the oil boom. And unit trains -- trains that can be more than 100 cars long and carry one commodity from one origin to one destination -- have become increasingly common.

The first unit train facility designed to load crude oil was built by EOG Resources near Stanley, N.D., in 2009. The company loaded 322 unit trains of its own crude and that of other producers in 2012.

Since 2009, about a dozen unit train facilities have popped up on BNSF's network alone. U.S. Rep. Kevin Cramer, who toured the EOG facility when he was a member of the state's Public Service Commission, said that's because of the "ability to move product by rail to the highest bidder."

Enbridge, a pipeline operator, began adding rail facilities in 2012. Its Berthold, N.D., facility can load 80,000 barrels per day.

Katie Haarsager, an Enbridge spokeswoman in North Dakota, said Enbridge is still focused on pipelines. It's currently planning the 610-mile Sandpiper Pipeline, which will transport up to 225,000 barrels a day from western North Dakota to Clearbrook, Minn., on its way to Superior, Wis.

"Pipeline is where we want to make our long-term investment," she said. But, she added: "that rail facility that we have in Berthold will always have a very critical place in being able to deliver crude to the U.S."

MARKET DYNAMICS

The share of oil being exported out of the Williston Basin by rail had been growing steadily for about two years, until April 2013, when three-fourths of it left by rail. But suddenly, that rate began to decrease, dipping to 61 percent in August.

Meanwhile, shippers turned to pipeline, increasing its share of oil exports from 17 percent in April to 31 percent by August.

What happened last year is an illustration of how prices can quickly affect how crude oil is shipped.

Two of the most popular benchmarks used by crude oil buyers and sellers to help set prices -- West Texas Intermediate and Brent -- had tracked fairly closely in early years of the Bakken oil boom. But since 2011, WTI has been consistently lower than the Brent benchmark because of increased production and transportation bottlenecks.

Brisben, the PLG analyst, said the original push for rail shipments was aimed at getting oil to the storage hub at Cushing, Okla., where oil is typically traded using the WTI benchmark. Meanwhile, refineries on the coasts taking imported crude are trading using the Brent benchmark or something similar.

"And that's what caused crude-by-rail to be an activity that really wasn't about getting the barrels to Cushing, but let's get them to these other places where we're going to fetch a higher price," Brisben said.

And even though rail transportation is more expensive than pipeline -- about \$6 more expensive per barrel of oil according to a report from the firm Ernst & Young -- that heavier price tag will matter less when the difference between the WTI and Brent benchmarks is wide enough. The spread has been as high as \$23.

In the case of last summer, the difference between the two benchmarks narrowed to less than \$5, and the shift away from rail transportation followed.

Analysts added that trains are the only option to send crude oil from here to the coasts.

"We never will see a pipeline going east to west, pipelines pretty much go north-south, so the only way to get the crude out is by rail," said Neil Amondson, vice president of NorthStar Transloading, which is constructing a rail terminal that will open this year on the North Dakota side of the state line from Fairview, Mont.

RAIL TO STAY

Even as the industry faces the potential for updated regulations, analysts and lawmakers say trains will have a critical, if not increased role in transporting crude oil.

Lynn Helms, the state's top oil regulator, said 90 percent of the state's oil could be transported by rail this year.

"The amount that operators continue to utilize rail in the coming year is still very much dependent on market dynamics," he said in an emailed statement. "Federal policy could eventually have some effect on shipping methods; however, it is too early at this point to be able to make that determination."

But even as lawmakers push for changes to make crude oil transportation safer, they acknowledge rail is here to stay.

"We are not going to take crude off the rails anytime in the near future. Or ever," U.S. Sen. Heidi Heitkamp said. "It's not going to happen."

"As long as we have a Bakken play, we will have oil on tank cars on the rails."



Plains oil shipments disrupting Amtrak trains

Associated Press
January 29, 2014 - 4:20 PM

CHICAGO — A group that advocates for train and rail transit passengers says a massive increase in rail shipments of crude oil from the northern Plains is partly to blame for disruptions to an Amtrak route linking Chicago and the West Coast.

The National Association of Railroad Passengers wrote to U.S. Transportation Secretary Anthony Foxx this week urging him to intervene.

Amtrak's Empire Builder service runs along a BNSF Railway route that has seen an increase in oil shipments from the Bakken region of North Dakota and Montana.

Winter weather has exacerbated several months of disruptions. Westbound Amtrak trains this week have had to bypass several stops stretching across much of North Dakota, forcing the railroad to use buses to get passengers to those destinations. Delays have reached up to 10 hours.

A sugar company based outside Fargo, N.D., is also complaining about disruptions on the BNSF line. American Crystal Sugar Co. officials said this week they're worried that a slowdown in rail service could cost the company millions of dollars if it continues to disrupt production. American Crystal Sugar said it plans to scale back on output at three of its plants because it's running out of storage space waiting for rail cars.

BNSF spokeswoman Amy McBeth said severe weather was to blame for the most recent impacts. To try to reduce congestion from increased freight volumes, she said the railroad invested more than \$200 million in North Dakota last year and plans more improvements this year that will benefit all rail users.

As far as the Amtrak disruptions, the passenger rail service and BNSF and have had discussions on ways to resolve the issue, but the freight railroad has advised Amtrak not to expect improvements for months, Amtrak spokesman Marc Magliari said.

"While severe weather has played a contributing factor, the delays are in large part due to the logjam of rail congestion caused by hundreds of additional freight trains transporting crude oil extracted in North Dakota to refineries in other parts of the U.S.," said the letter from the National Association of Railroad Passengers to Secretary Foxx.

Ross Capon, president of the rail passenger advocacy group, calls the situation intolerable.

"Crude oil is being given priority over people," Capon said.

Amtrak's Empire Builder service is its most popular long-distance overnight train. It runs from Chicago to Portland, Ore., and Seattle, Wash.

Oil from North Dakota began being shipped by trains in 2008, when the state reached its then-capacity for pipeline shipments. North Dakota is now the nation's No. 2 oil producer, behind Texas.

© 2014 Star Tribune

Railroad official says brutal weather, not oil trains, caused Northstar delays

Written by Mark Sommerhauser

Feb. 26

sctimes.com

ST. PAUL — Brutal winter weather, not a recent boom in oil freight, is to blame for recent delays on the Northstar Commuter Rail line, a spokesman for the company that owns the line's tracks told a House panel Thursday.

Lawmakers on the panel pushed Brian Sweeney, a spokesman for BNSF Railway, to account for delays that have caused headaches for Northstar riders since at least January. The Northstar line connects downtown Minneapolis to Big Lake, with a bus link continuing to St. Cloud.

Sweeney's testimony, which came in a hearing of the House Transportation Finance Committee, contradicts reports that a glut of oil trains on the rail line are causing the delays.

Sweeney said the amount of oil freight on the line hasn't increased since the delays began this winter; only the weather has changed, he said. The harsh cold affects the trains' air brakes, makes the rail lines more brittle and limits the time rail employees can work outside to conduct repairs, Sweeney said. He said similar slowdowns have occurred this winter on commuter rail lines in the Chicago area.

"This winter has played havoc with all modes of transportation, and it's been very noticeable" with Northstar," Sweeney said. "We recognize that this has been a major inconvenience for a number of people who rely on this service."

Rep. Jeff Howe, R-Rockville, told Sweeney the Northstar delays are unacceptable. Howe said some Northstar riders tell him they're in danger of losing their jobs because their employers are losing patience with them being late to work because of the delays.

Brian Lamb, the general manager of Metro Transit, which operates Northstar, said the commuter line had a strong record of on-time service until this winter.

Lamb said his agency has responded to the delays by creating a real-time notification service for Northstar riders to get updates when trains are delayed. The agency also has dispatched buses to Northstar stations in Elk River and Coon Rapids to shuttle riders in case of extensive delays, he said.

Follow Mark Sommerhauser on Twitter @msommerhauser.



argusmedia.com

Argus Coal Daily

18-41 | Monday 3 March 2014

LATEST NEWS

Avalanche halts rail traffic on BNSF's Hi-Line

An avalanche blocked the tracks on BNSF's northern Hi-Line route across Montana and North Dakota this weekend, exacerbating other delays to rail traffic that have Powder River basin (PRB) coal shippers on edge.

BNSF said today it does not have an estimated time for reopening the Hi-Line track. The railroad is "experiencing operational impacts due to avalanche activity in the Glacier Park area" of Montana and anticipates "delays to traffic moving across the northern region."

Avalanche advisories have been issued for the region after heavy snowfall combined with strong winds and a rapid rise in temperatures created unstable conditions, according to the Flathead Avalanche Center in Montana.

Late coal deliveries on BNSF's network have utility fuel shippers worried about electric supply reliability as a cold winter and higher coal burns eat into their coal stockpiles, particularly along the Hi-Line.

PRB producers are losing an estimated 4mn short tons/

CONTENTS

Central App markets retreat with gas prices
 KU, LG&E want coal for 2014, 2015
 Southern Coal raises coking coal output
 Weak coal traffic saps freight rates
 Venezuela unrest stalls Colombia coal exports

Atlantic basin		\$/t
Next 90 days	Price	±
US Gulf coast		
fob New Orleans 11,300 Btu 3%	58.00	0.00
Colombia (fob Puerto Bolivar) 6,000 kcal <1%	66.00	+0.25
fob New Orleans 11,300 Btu <1%	78.00	0.00
Mid-sulfur discount, \$/lb/mmBtu*	0.21	0.00
High-sulfur discount, \$/lb/mmBtu*	0.16	-0.02
US east coast		
fob Hampton Roads 12,000 Btu <1%	85.00	0.00
fob Hampton Roads 11,300 Btu <1%	80.50	0.00

*The mid-sulfur spread is the discount for 3% typical sulfur coal fob New Orleans to coal with less than 1pc sulfur. The high-sulfur spread is between petroleum coke with 4.5% and 6.5% sulfur.

FORWARD MARKET ASSESSMENTS

OTC prices				\$/st
	Bid	Ask	Midpoint	±
CSX <1% sulfur rail 12,000				
Apr	55.70	57.70	56.70	-1.15
May	56.50	58.50	57.50	-0.50
2Q14	56.50	58.50	57.50	-0.50
3Q14	57.00	59.00	58.00	-0.50
4Q14	57.55	59.55	58.55	-0.60
2015	58.00	60.00	59.00	-0.50
2016	60.65	62.65	61.65	-0.75
2017	62.75	64.75	63.75	-1.00
CSX <1% sulfur rail 12,500				
Apr	60.70	61.70	61.20	-1.15
May	61.50	62.50	62.00	-0.50
2Q14	61.50	62.50	62.00	-0.50
3Q14	62.00	63.00	62.50	-0.50
4Q14	62.55	63.55	63.05	-0.60
2015	63.00	64.00	63.50	-0.50
2016	65.90	66.90	66.40	-0.50
2017	68.25	69.25	68.75	-0.50
Nymex-spec				
Apr	62.00	63.00	62.50	-0.25
May	61.90	62.90	62.40	-0.10
2Q14	61.90	62.90	62.40	-0.35
3Q14	61.50	62.50	62.00	0.00
4Q14	61.50	62.50	62.00	0.00
2015	61.65	62.65	62.15	0.00
2016	64.45	65.45	64.95	0.00
2017	66.85	67.85	67.35	-0.30
PRB 8800 rail				
Apr	12.00	12.40	12.20	+0.05
May	12.20	12.60	12.40	+0.10
2Q14	12.25	12.65	12.45	+0.10
3Q14	12.65	13.05	12.85	0.00
4Q14	12.85	13.25	13.05	0.00
2015	13.45	13.85	13.65	0.00
2016	14.55	14.95	14.75	+0.10
2017	15.35	15.75	15.55	0.00
PRB 8400 rail				
Apr	9.80	10.20	10.00	0.00
May	9.90	10.30	10.10	+0.05
2Q14	9.90	10.30	10.10	+0.05
3Q14	10.10	10.50	10.30	-0.10
4Q14	10.40	10.80	10.60	0.00
2015	10.70	11.10	10.90	-0.10
2016	11.30	11.70	11.50	0.00
2017	11.85	12.25	12.05	-0.15

month (3.62mn metric tonnes/month) of output because of the delays, according to Brean Capital.

The cold, snowy winter, a late grain harvest and the Bakken crude-by-rail boom have congested traffic on the Hi-Line since last fall. While the weather is expected to improve as spring sets in, heavy snowfall and warmer weather could combine to cause flooding, which will also create issues for mines and railroads.

BNSF's coal shipments rose by almost 3pc last year from 2012 as utility customers' stockpiles dwindled and natural gas prices rose, encouraging more reliance on coal for electric generation.

Coal carloads increased by 2.7pc in 2013 to 2.23mn from 2.17mn in 2012 and the railroad's coal revenues rose to \$4.99bn from \$4.86bn a year earlier, the railroad said in its 10-K filing today with the Securities and Exchange Commission.

But the growth in coal shipments was partly offset by weather woes in the PRB.

The company's average revenue per coal car fell in 2013 to \$2,236/carload from \$2,238/carload in 2012.

Severe weather weakened BNSF's service, particularly on the northern tier of its network, in the fourth quarter.

That was one reason BNSF allotted \$5bn for capital expenditures this year, Berkshire Hathaway chairman Warren Buffett said in a 28 February letter addressed to shareholders. Berkshire Hathaway bought BNSF in 2010 and the railroad has "been diligent" in anticipating its customers' needs and America's rail network has "never been in better shape" because the industry invests heavily in its own infrastructure, Buffett said.

"Whatever you may have heard about our country's crumbling infrastructure in no way applies to BNSF or railroads generally," he said.

BNSF chief executive Matt Rose admitted to shippers last week that the railroad's service has been inadequate recently. The brutal winter exacerbated traffic issues caused by a

SW Ohio emissions-adjusted OTC coal prices				\$/st
	Delivered price	SO ₂ adjusted	NO _x adjusted	SO ₂ and NO _x adjusted
Nymex-spec barge OTC				
Apr	70.25	70.28	70.42	70.45
2Q14	70.15	70.18	70.32	70.35
CSX rail OTC				
Apr	76.40	76.43	76.58	76.61
2Q14	77.20	77.23	77.38	77.41
PRB 8800 rail OTC				
Apr	38.23	38.24	38.36	38.37
2Q14	38.48	38.49	38.61	38.62
PRB 8400 rail OTC				
Apr	36.03	36.04	36.15	36.16
2Q14	36.13	36.14	36.25	36.26

Argus daily spark spreads				\$/MWh	
	Timing	Gas	Coal, peak 10,000	Coal, off-peak 10,000	
Indiana	Daily	125.70	166.13	98.13	
	Apr	9.19	11.38	-1.52	
	Summer	21.44	32.38	5.48	
PJM	Daily	135.48	264.07	195.07	
	Apr	16.54	22.07	8.07	
	Summer	35.15	40.93	8.08	
New England	Daily	4.77	209.84	175.34	
	Apr	14.65	39.34	24.59	
	Summer	27.88	34.26	10.34	
New York A	Daily	168.18	191.34	173.80	
	Apr	10.31	20.15	6.92	
	Summer	26.34	30.19	2.64	
Southern Co.	Daily	5.48	30.54	29.27	
	N. Illinois	Daily	-30.09	143.81	81.56
		Apr	1.76	23.99	9.16
Summer		19.41	34.57	6.02	
Palo Verde	Daily	-2.33	38.72	26.22	
	Apr	7.06	15.97	6.67	
	Q3	8.07	16.93	5.60	
Mid-C	Daily	-7.68	35.38	24.22	
	Apr	-2.64	12.89	1.39	
	Q3	-5.27	8.83	-6.97	

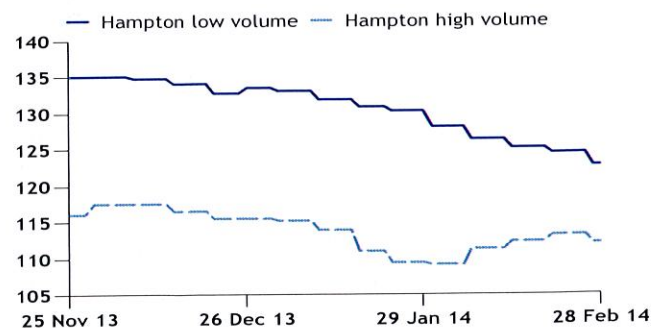
ANNOUNCEMENT

Argus successfully completes losco assurance review

Argus has successfully completed an external assurance review of its oil price benchmarks, including those for the coal markets. The review was carried out by professional services firm PwC. An independent and external review of oil benchmark prices is required on an annual basis by international regulators in order to satisfy losco's Principles for Oil Price Reporting Agencies (the PRA Principles).

For more information and to download the report visit our website
<http://www.argusmedia.com/About-Argus/How-We-Work>.

Prompt 90-day fob US coking coal \$/t



late harvest and booming crude-by-rail shipments out of the Bakken shale formation, he said.

MARKET SUMMARY

Central App markets retreat with gas prices

Eastern US steam coal markets fell in over-the-counter trade today as natural gas futures crept lower, diminishing the profitability of coal-fired generation.

Only seven deals cleared CME today, all for Central Appalachian coal. Nymex-spec barge coal shed 10-35¢/short ton at the front of the curve, although the back of the curve was steady. Third quarter 2014 cleared at \$62.25/short ton before finishing at \$62/st, flat with the prior session on 28 February.

Block trades for 12,500 Btu/lb CSX rail-loaded coal were done at \$62.25/st for the prompt quarter before the term fell to \$62/st, off by as much as 50¢ from the prior session. Third quarter 2014 also slipped throughout the day, clearing CME at \$62.75/st before ending at \$62.50/st, down by 50¢ from the 28 February finish.

Powder River basin markets rose slightly for the prompt quarter, although no deals were confirmed.

Continued losses for natural gas futures weighed on eastern US coal markets. April Nymex gas closed at \$4.492/mmBtu, down by 11.7¢/mmBtu or 2.5pc from the previous settlement, as traders anticipated the approach of milder spring weather. Prompt gas markets are well below the more than \$6/mmBtu levels of two weeks ago that had made generating units running on Central App coal more economic for electric dispatch.

NEWS

KU, LG&E want coal for 2014, 2015

Louisville Gas & Electric (LG&E) and Kentucky Utilities (KU) are seeking proposals to supply steam coal to five power plants in 2014 and 2015.

For each solicitation, each quarter will be independent of offers for other quarters, the companies said.

LG&E and KU, which are subsidiaries of PPL Energy, are seeking high-sulfur barge spot coal for the second, third and fourth quarters of 2014, and term coal beginning in January 2015 for the Trimble County, Mill Creek and Ghent power stations.

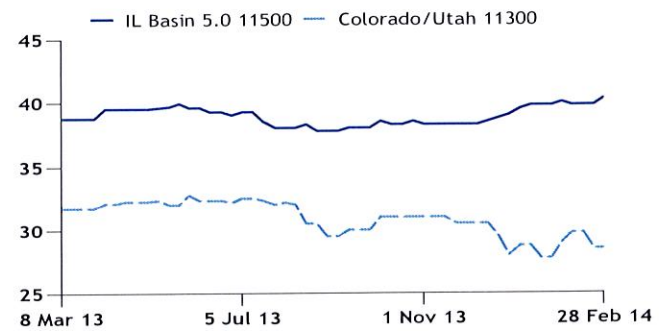
They also want high-sulfur rail or truck spot coal for the second, third, and fourth quarters of 2014 and term coal in 2015 for the E.W. Brown station. They are also looking for mid-sulfur trucked spot coal for the second, third and fourth quarters of 2014 and the first three quarters of 2015.

By the numbers

	Last	Change	Pct
Nymex natural gas (\$/mmBtu)	4.49	-0.12	-2.60
Argus Indiana hub power (\$/MWh)	45.75	1.65	3.74
Argus fuel oil 1% New York (bl)	106.00	-1.25	-1.17
Nymex WTI crude (bl)	104.92	2.33	2.27
Aus\$ vs. US\$	0.89	—	—
Can\$ vs. US\$	0.90	—	—
euro vs. US\$	1.37	-0.01	-0.72

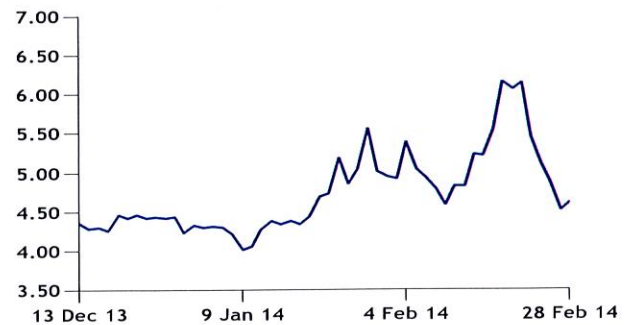
Prompt-quarter Illinois basin

\$/st



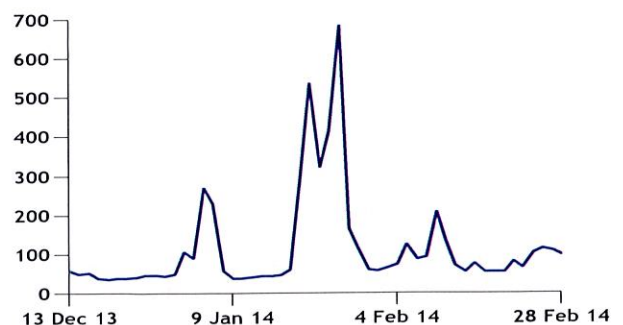
Prompt-month Nymex natural gas

\$/mmBtu



PJM day-ahead electricity prices

\$/MWh



For the Trimble County unit 2, up to 400,000 short tons (362,878 short tons) of Powder River basin or Nymex-specification coal spot coal for 2014 beginning in May, and up to 600,000st beginning in January 2015 is sought. Each yearly offer will be independent of offers for the other yearly period.

KU/LG&E also seek middlings barge coal, including up to 75,000st of spot coal for the third and fourth quarters of 2014, and up to 150,000st for 2015 beginning in January.

Bids should either be mailed by certified mail or delivered to Mike Dotson, manager - LG&E/KU Fuels, 220 West Main Street, Louisville, Kentucky 40202.

Bids must be received on or before 5pm ET on 25 March at the above address. Anyone who wants a hard copy of the bid package should call Bill Gilbert at (502) 627-3735, Stephen Dufour at (502) 627-2158, or Mike Dotson at (502) 627-2322.

Southern Coal raises coking coal output

Southern Coal plans to restart an idled coking coal mine in eastern Kentucky this year and has recently started up a new low-volatile coking coal mine near Beckley, West Virginia, as part of its effort to boost sales of high quality, low- and mid-volatile coking coal this year.

Virginia-based Southern Coal plans to produce about 600,000 short tons (544,316 metric tonnes) of coal this year at its restarted Beech Creek mine in eastern Kentucky, about equally divided between high-volatile metallurgical coal and steam coal, executive vice president Jay Justice said in an email interview. That mine was inactive last year.

The company has just started up its new Tams No. 2 mine near Beckley which is forecast to produce 500,000st of low-volatile coal from the Beckley seam this year, while the nearby Tams No. 1 mine will boost output of low-volatile coal from the Sewell seam by 50pc to 600,000st.

"We are putting a tremendous amount of effort into our low-volatile and mid-volatile mines in West Virginia and Virginia," Justice said.

Southern's Bishop surface mine, in Tazewell, Virginia, will increase output of low-volatile coal to 800,000st/yr from 300,000st in 2013. It produces coal from the Pocahontas Nos. 8, 9, 10 and 11 seams and from the Horsepin seam.

The company is also restarting its idled Yellow Mountain mine, in eastern Kentucky, which is expected to ramp up to 600,000st of steam coal output this year, while WV3 mine, in Logan, West Virginia, will increase its output of steam coal to 500,000st from 300,000st. Bevins Branch, also in eastern Kentucky, will raise steam coal output to 700,000st from 400,000st.

"We have contracts in place and that is why we expanded production to meet those contracts' quantity," Justice said.

Southern has restarted Yellow Mountain and Beech Creek

Freight rates		\$/t	
	Price	Change	4-week average
US north of Cape Hatteras to			
ARA panamax	11.60	+0.40	11.70
Japan panamax	40.25	-1.25	41.88
India panamax	35.25	-1.00	36.81
ARA capesize	10.40	+0.70	10.13
India capesize	25.10	+1.00	24.35
West coast North America to			
ARA panamax	19.60	0.00	19.53
Japan panamax	16.50	0.00	16.00
Puerto Bolivar to			
ARA panamax	12.90	-0.60	13.81
US Gulf panamax	10.00	-1.50	11.13
US east coast handysize	12.00	-1.00	12.75
US Gulf coast to			
ARA panamax	15.00	-1.50	16.19

"in lieu" of renewing work at Liggett No. 8 and Liggett No. 9 operations.

Southern Coal sells most of its thermal coal to American Electric Power under a multi-year agreement, he said.

Southern plans to sell about 6mn st this year, about 5mn st from its own production and the rest from contractor output, Justice said. That compares to 5mn st in 2013, of which 4mn st was from its own production.

It expects its sales this year to comprise 2.2mn st of low- and mid-volatile coking coal, about 1.4mn st of high-volatile coking coal, and about 2.4mn st of steam coal. Of its coking coal, about 98pc is for export.

Southern Coal operates three underground mines and eight surface mines in West Virginia, Virginia and Kentucky.

Weak coal traffic saps freight rates

Dry bulk freight rates fell in the past week, weighed down by a decline in mining activity and firm US coal demand that is drawing volumes away from the seaborne market.

Severe winter weather across the US has supported thermal coal demand there and limited exports. Thermal coal at the US Gulf was trading at a \$5/t premium to Rotterdam, making exports to Europe uneconomic in most cases. Vessel demand was limited, and steady enquiry for cargoes loading out of Brazil and Argentina failed to deplete a long list of ships ballasting in from outside the region. A seasonal decline in mining activity - as well as a loadings suspension at Colombia's Puerto Drummond since 13 January - left many ship owners scrambling for those cargoes that became available.

Rates from the US Gulf to Rotterdam notched up the week's heaviest losses, falling to \$15/metric tonne from \$16.50/t a week previously. Foresight Energy booked a

Panamax at that rate to move 70,000t from the Mississippi river to Rotterdam, loading on 22-27 March. Rates out of the east coast were marginally firmer, rising to \$11.60/t for a voyage to Rotterdam. Noble was due to field a ship at that price for a 10-19 March voyage.

Capesize rates again outperformed the market for smaller ships, with iron ore shipments out of Brazil still propping up the market. The bellwether voyage from Brazil's Tubarao to China's Qingdao rose to \$21.50/t, well above the previous week's levels.

Venezuela unrest stalls Colombia coal exports

Heightened security risks in the restive Venezuelan border state of Tachira and the extension of carnival celebrations there are preventing steam coal exports from Colombia's province of Norte de Santander from moving through Venezuelan ports.

"The unrest is affecting coal indirectly. This has been happening for the past two weeks but it is intermittent," the Norte de Santander coal federation told *Argus*. "Now, we are totally blocked until Thursday when the carnival ends."

Exports of steam coal from Norte de Santander, bordering Venezuela, have plummeted to 1,000 metric tonnes/d, from the average 3,000t/d that usually transit through Venezuelan territory, an affected coal exporter said.

Colombian coal truckers are avoiding transiting Venezuelan territory amid heightened security risks in Tachira as anti- and pro-government supporters clash across the country. The Venezuelan ministry of energy said the main highways connecting El Vigia to Tachira have been shut at dozens of locations by barricades. This road is used to reach the Venezuelan port of La Ceiba on Lake Maracaibo.

Venezuelan state-controlled oil company PdV has cut fuel supplies to Tachira because of government concerns that protesters might seize fuel tanker trucks and attack service stations, the ministry said.

Anti-government protests have rocked Venezuela since early February to demand the resignation of Venezuelan President Nicolas Maduro and protest shortages of staples such as food and toilet paper. Students leading the anti-government demonstrations continued protesting over the weekend, demanding that Maduro withdraw national guard troops and disarm pro-government civilian supporters. Clashes have left more than 18 people dead, more than 300 injured and thousands detained.

Norte de Santander exported around 1mn metric tonnes of steam coal last year through Venezuelan ports on Lake Maracaibo, including Palmajero and La Ceiba. The shutdown of the Venezuelan border affects coal producers and traders such

as Bulk Trading, InterAmerican Coal and local producers and exporters such as Frontier Coal and ColcarbeX

Annual carnival celebrations that last from 27 February to 7 March are also hampering exports through Venezuela.

Maduro last week decreed that 27 and 28 February would be paid national holidays, increasing the traditional four-day carnival holiday to six days in an effort to dampen the political tensions. But protests and clashes still broke out in Caracas and other cities over the weekend.

"Truckers are afraid to pass through Venezuelan territory and now we are blocked until Thursday because of carnival," an exporter said. "Carnival will end but the bad situation in the border may continue and we are worried."

Norte de Santander produced 1.68mn t of steam and metallurgic coal last year, according to the government's mining regulator. Of that total, it exported 1.3mn t, with the majority steam coal.

North Carolina cites Duke for coal ash spill

North Carolina regulators cited Duke Energy over violations related to the coal ash spill at the generator's Dan River plant in Eden and began the formal process of fining the utility.

Duke officials also informed regulators of discharge from an emergency yard drainage overflow pipe at the Cliffside station in North Carolina.

The two citations presented to Duke focus on to violations of wastewater and stormwater regulations at Dan River. The 2 February spill released 24mn-27mn USG of wastewater and up to 39,000 short tons (35,380 metric tonnes) of coal combustion residuals from the ash pond to the Dan river.

"These are violations of state and federal law, and we are holding the utility accountable," state Department of Environment and Natural Resources (DENR) secretary John Skvarla said on 28 February.

The first notice says Duke did not obtain a National Pollutant Discharge Elimination System storm water permit for Dan River. The state may take enforcement action, including a fine, for the violation.

The second notice, which came with a recommendation for fines, cited Duke for violating water quality laws, rules and permit conditions related to management of the coal ash pond and the spill.

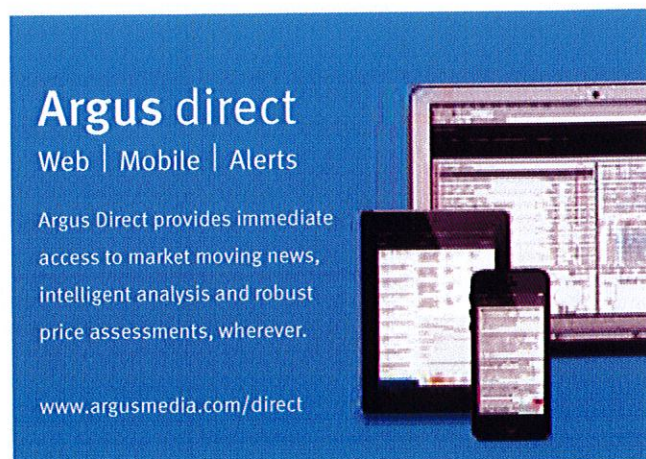
Fines have not been established for the Dan River spill. Duke will have a chance to present information, including any mitigating circumstances, before the fines are calculated, DENR said.

Duke also notified DENR of discharge from the Cliffside plant after a routine inspection on 27 February. Utility officials discovered roughly 0.8USG/minute coming from the permitted outfall of an emergency pond. Discharge from

the pond is expected only during extreme storm events. Corrosion perforated a corrugated steel outfall pipe, allowing groundwater into the pipe. But water never reached the Broad river, the body of watery closest to the plant, Duke said.

Duke is working on a permanent fix but in the meantime is collecting the discharge water and releasing it into a treatment pond on site twice a day.

DENR inspectors plan to visit Cliffside this week to help determine if Duke should be cited and fined. But that inspection will depend on the harsh weather expected early this week.



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