



BILL SCHUETTE
ATTORNEY GENERAL
STATE OF MICHIGAN

244381

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August 30, 2017

Honorable Ann D. Begeman
Chairman
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423-0001

Re: STB Docket No. 42142, *Consumers Energy Company v. CSX Transportation, Inc.*

Dear Chairman Begeman:

I am writing to reiterate my concern with the rates being charged by CSX Transportation for the delivery of coal to Consumers Energy Company's J.H. Campbell electric generating complex. Those rates are the subject of STB Docket No. 42142, *Consumers Energy Company v. CSX Transportation, Inc.* I understand that matter is now before the Board for decision, after 28 months of agency proceedings.

As I explained in my February 24, 2016 letter to the prior chairman (attached), I advocate for Michigan utility ratepayers before the Michigan Public Service Commission, including the more than 1.8 million Michigan citizens and companies served by Consumers. The cost of acquiring fuel to generate electricity is ultimately paid by Consumers' ratepayers. And the cost of transporting coal to the J.H. Campbell Station is a substantial portion of those costs. Thus, the fact that Consumers, and ultimately its customers, pay CSXT as much or more for coal deliveries covering the 170 miles between Chicago and Campbell, as they do for delivering the coal 1,150 miles from Wyoming to Chicago, remains a matter of serious concern.

Consumers and the Michigan residents and businesses that it serves rely on the Board for protection from unreasonable rail transportation costs. Now that the evidentiary record before the Board has been completed, I urge the Board to ensure

that the rates paid by Consumers for CSXT service are maintained at reasonable levels. I appreciate your continued consideration of my concerns.

Sincerely,

A handwritten signature in black ink, appearing to be 'BS' or 'Bill Schuette' in a cursive style.

Bill Schuette
Attorney General

WDS/pm

Enclosure



BILL SCHUETTE
ATTORNEY GENERAL
STATE OF MICHIGAN

February 24, 2016

The Honorable Daniel R. Elliott, III, Chairman
Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

Dear Chairman Elliott:

I am writing to you to express my concern over the level of rates charged by CSX Transportation to deliver coal supplies to Consumers Energy Company's J.H. Campbell electric generating complex. As the advocate on behalf of Michigan ratepayers, I actively participate in utility rate cases to ensure safe, reliable and affordable rates. The cost of acquiring fuel is a major expense in those rate cases that is passed through to Michigan ratepayers. In fact, the cost of fuel at Campbell comprises about half of the cost of generating electricity.

CSXT's route comprises less than 15 percent of the total distance from the Wyoming coal origins to Campbell, yet CSXT's current rates are some 50 percent of the total transportation costs. Accordingly, transportation rates charged by CSXT significantly impact the costs paid by Michigan ratepayers. Because of the current level of transportation rates and the lack of alternatives to CSXT for delivery of coal to Campbell, Consumers Energy is currently before your Board seeking a review of the just and reasonableness of CSXT's transportation rates in Docket No. 42142, *Consumers Energy Company v CSX Transportation, Inc.*

On behalf of Michigan ratepayers, I urge you to give careful and balanced consideration to the evidence presented in Consumers Energy's case, and ensure that only just and reasonable rates can be charged by CSXT for the transportation service that it alone controls. Thank you for your attention to this request, and please contact my office if you would like further information.

Sincerely,

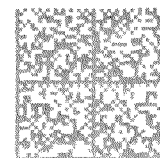
A handwritten signature in dark ink, appearing to be "BS" or "Schuette", written over a horizontal line.

Bill Schuette
Attorney General

WDS/mm

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Chairman
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