



GRANITE FALLS ENERGY, LLC

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April 16, 2018

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ENTERED
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April 19, 2018
Part of
Public Record

Ms. Cynthia T. Brown
Chief, Section of Administration
Surface Transportation Board
Office of Proceedings
395 E Street, S.W.
Washington, DC 20423-0001

**Re: Docket No. FD 36178, Metropolitan Council – Petition for Declaratory Order
Docket No. FD 36177, Hennepin County Regional Rail Authority – Acquisition Exemption –
In Hennepin County, Minnesota**

LETTER IN SUPPORT OF TWIN CITIES & WESTERN RAILROAD COMPANY'S INITIAL REPLY REQUESTING THE BOARD TO SET A PROCEDURAL SCHEDULE

Dear Ms. Brown:

Granite Falls Energy, LLC urges the Board to set a procedural schedule in the above referenced proceeding (FD 36178) to permit public comment and a full hearing on Metropolitan Council's Petition seeking to acquire ownership of the Bass Lake and Kenilworth corridors in Hennepin County, Minnesota. The Board should also stay the Hennepin County Regional Rail Authority's ("HCRRA") request in FD 36177 to acquire the common carrier obligations for the line.

Granite Falls Energy, LLC is located in Chippewa County, Granite Falls, MN. Granite Falls Energy, LLC is a fuel ethanol manufacturer which not only ships the majority of its ethanol to U.S. coastal areas for market but DDGS (Dried Distillers Grains w/Solubles) by rail and is located on Twin Cities & Western Railroad Company ("TCW"). For over 12+ years, we have relied on TC&W RR for efficient and effective rail access to the Twin Cities to connect with major Class I carriers such as BNSF, a route that includes the Bass Lake/Kenilworth corridor. We estimate we ship over 6600 rail car loads and returning empty cars a year of our main products over this route. Granite Falls Energy, LLC has expended over \$7 million in rail spurs, siding and rail loop tracks land and rail car moving equipment since our initial start of business to stage and ship our products via unit trains and relies heavily on TC&W RR to get our cars to the main switching yard in So. St. Paul to continue on to its destination and return to the same yard via 1st class carriers. Rail transportation of our products is the most economical means of transportation for our company and there is no other economically viable rail route from our plant site for our products to move to and from the Twin Cities rail terminal.

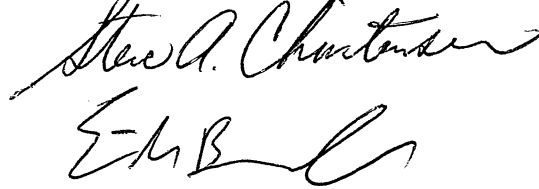
Several years ago, TC&W RR informed us that the Metropolitan Council was seeking to expand its light rail service from Minneapolis west to certain suburban communities. When it was determined that the Metropolitan Council had selected the Bass Lake/Kenilworth corridor for a joint light rail /freight rail corridor, TC&W RR committed that it would work with the Council to reach agreements both to minimize disruption to freight rail service during construction and thereafter to assure that the presence of light rail in the freight rail corridor would not negatively impact TC&W's operational and economic ability to provide service or force shippers, such as Granite Falls Energy, to subsidize the expense of adding light rail to the corridor.

We understand the Metropolitan Council recently abruptly ended negotiations with TC&W RR and has filed its present Petition asking the Board to approve an arrangement whereby the Council will acquire ownership of the rail line but will ask the Board to transfer the common carrier obligation to HCRRA.

This is a very complicated transaction that needs full public input and understanding. Neither the Council nor HCRRA has ever sought our input on freight rail needs on the corridor and we now have learned they have no agreements in place with TC&W RR on how freight service will be handled on this proposed "shared corridor" route.

We urge the Board to set a procedural schedule and delay HCRRA's request to acquire the common carrier obligation in order to solicit the views of others affected by this transaction – in particular shippers like ourselves who need this vital rail route to move our goods through the Twin Cities. Entrusting the common carrier obligation to a public entity that does not operate freight rail service provides little assurance that important shipper interests in continued effective transportation service will be protected. In addition, deciding on this matter without reaching an agreement with the one entity that is currently – and effectively – providing the common carrier service, TCW, is a matter of significant concern and warrants close scrutiny by the Board.

Respectfully submitted,

The block contains two handwritten signatures. The first signature is "Steve A. Christensen" in a cursive script. The second signature is "Eric Baukol" in a cursive script.

Mr. Steve Christensen, CEO/GM
Mr. Eric Baukol, Risk Manager

Cc: Parties of Record

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