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October 31, 2014

Ms. Cynthia Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423-0111



236948

Re: Docket No. EP 724, United States Rail Service Issues
Comments of Otter Tail Power Company

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Office of Proceedings
November 3, 2014
Part of
Public Record

Dear Ms. Brown:

This letter provides additional written comments in the above-referenced matter. Otter Tail Power Company filed initial comments in this matter on September 11, 2014. These additional comments are being filed to describe developments that have occurred since September 11, 2014, that are further compromising the reliability of our base load electric generating capabilities, specifically at the Big Stone generating plant in Big Stone, South Dakota and now the Hoot Lake generating plant in Fergus Falls, Minnesota. Otter Tail's initial comments are attached to these additional comments for your convenience.

Our September 14, 2014, comments described the BNSF's inability to deliver sufficient coal to the 475-megawatt Big Stone Electric generating plant located at Big Stone City, South Dakota. As described in our previous comments, the Big Stone Plant has reduced its output for the purpose building up its fuel stockpile to a level that would reduce the risk of fuel-related outages going into the winter months. This was necessary because for the past five months BNSF was delivering only about eighty percent of Big Stone Plant's burn requirements even with three trains in service.

Since those comments we filed, deliveries to the Big Stone Plant have gotten worse not better. On October 20, 2014, Otter Tail was notified by the BNSF that one of our three unit coal trains used to serve our Big Stone electric generating plant would be "parked indefinitely." We understand that the unit train was then parked by BNSF on Friday, October 24, 2014. Now with only two of our trains in service, we calculate that the BNSF will need to improve cycle times by thirty five percent compared to the last five months.

We do not have confidence that the BNSF can increase cycle times by this much and we therefore are gravely concerned about further reductions in our fuel supplies which will compromise electric reliability and increase the costs that our customers will pay for energy as we go into winter.

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Also, since we filed our September 14, 2014, comments, BNSF deliveries have degraded significantly to another Otter Tail generating station, the Hoot Lake Plant located near Fergus Falls, Minnesota. At Hoot Lake, the facility had been off-line for a maintenance project for several weeks during the spring and summer, and therefore we were able to build up and maintain our normal coal stockpile. Since October 1, 2014, however, our train was parked for nine days and the BNSF took another seven days to move to the mine and return, resulting in a cycle time of over 384 hours—which is two and a half times longer than normal. During this period, approximately 25 percent of the Hoot Lake stockpile was consumed and we are now well below winter stockpile targets.

In our discussion with the BNSF we have been informed that the reductions in train volumes are being instituted with the intention of increasing train velocities. We have also been told that the BNSF will be equitably distributing the reductions in train volumes to all shippers. We ask for a demonstrated verification that the reductions are indeed being distributed to all shippers. Specifically, we request that the BNSF be required to report how many trains were parked and for how long and what commodity they were delivering, along with the ratio of those parked to total in service.

Additionally, and most importantly, we renew the request we made in our September 14, 2014, comments that the Board take action immediately to remedy this situation. As we indicated previously, the BNSF needs to restore cycle times to normal levels and measures need to be put in place to assess BNSF's progress toward restoring coal delivery service. We have serious concerns about system reliability and adequacy of available energy during the coldest months of the winter if these baseload electric generating plants do not have adequate fuel to produce electricity up to their full potential.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Tim Rogelstad', with a stylized flourish at the end.

Tim Rogelstad

President

Otter Tail Power Company