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BY HAND

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423

Re: Docket No. 42058, Arizona Electric Power
Cooperative, Inc. v. The Burlington Northern
and Santa Fe Railway Company and Union Pacific
Railroad Company

Dear Secretary Williams:

Enclosed for filing in the above-captioned proceeding
are an original and ten copies of a corrected page 5 to AEPCO's
Reply to UP's Petition to Clarify the Colorado Rate Dispute that
Arizona Electric Power Cooperative, Inc., filed yesterday.

If there are any questions concerning this matter,
please contact the undersigned.

Respectfully submitted,

ENTERED
Office of the Secretary

MAY 1 2002

Part of
Public Record

Robert D. Rosenberg
An Attorney for Arizona
Electric Power Cooperative,
Inc.

RDR:kaw
Enclosures
cc: Service List
Patricia E. Cooper, Esq.

misdirected. As UP notes, the STB's order did distinguish between informal "(often orally and sometimes anonymously)" rate discussions and formal rate requests. 1 S.T.B. at 156. However, AEPCO's November 20, 2000 letter, which expressly invoked both 49 U.S.C. § 11101 and 49 C.F.R. Part 1300 and referenced the failure of the contract negotiations, cannot be read as anything other than a formal rate request. UP and BNSF also clearly viewed AEPCO's letter as a formal request as demonstrated by the timing and nature of their subsequent communications (see attachments to UP's Petition).² UP's effort to minimize its December 18, 2000 as an informal musing as to rates cannot be reconciled with the record.

The fact that AEPCO may not have yet shipped coal under some of the rate permutations in UP's December 18, 2000 letter does not render those rates immune from challenge. Throughout the late 1970's, shippers, including AEPCO, challenged rates before their power plants were operational and shipments had commenced. See, e.g., Incentive Rate on Coal -- Gallup, New Mexico to Cochise, Arizona, 357 I.C.C. 683 (1977). UP's Colorado

²UP and BNSF also jointly established BNSF 9044 (copy attached to AEPCO's original Verified Complaint dated Dec. 29, 2000) on December 19, 2000, in response to the same and related correspondence occurring at the same time (see Exhibit E to UP's Petition).