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May 10, 2002

VIA HAND DELIVERY

Office of the Secretary
Attn: Rini Ghosh, Esq.
Environmental Review
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423



Re: Midwest Generation, LLC -- Exemption from 49 U.S.C. 10901 --
For Construction in Will County, IL; Finance Docket No. 34060

Dear Ms. Ghosh:

On behalf of Midwest Generation, LLC ("Midwest"), we hereby submit comments on the Environmental Assessment ("EA") which was served on April 12, 2002, regarding Midwest's proposal to construct a rail line at its Joliet Generating Station in Will County, Illinois. Midwest appreciates the hard work undertaken by the Board's Section of Environmental Analysis ("SEA") in preparing the EA. Midwest concurs with the well-reasoned findings and conclusions contained in the EA and is willing to implement all of the mitigation steps recommended therein.

Most significantly, the exhaustive analyses in the EA should put to rest any environmental impact concerns raised by the Illinois Central Railroad Company ("IC") in its financially motivated opposition to Midwest's proposed rail construction project. As the SEA completes its recommendations to the Board, Midwest hereby suggests certain minor clarifications to the EA in an effort to eliminate any possible questions or concerns about the environmental impact, if any, of Midwest's proposed rail construction project. Midwest agrees with SEA (1) that the proposed project, using either Route, will not significantly affect the quality of the natural or human environment, provided that the recommended mitigation is carried out, EA at "Conclusion," and (2) that the net environmental impact of either proposed Route would be approximately the same. Id.

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1. Midwest's Line-Crossing Petition Involves Only One Proposed Route.

Both in the Executive Summary and in the first chapter of the EA, the SEA stated that "Midwest cannot begin construction of the proposed rail line until also obtaining authority from the Board to cross IC's track." EA at iii and I-2. Although Midwest does not disagree that its preferred proposed rail line (denominated "Route A" in the EA) needs the Board's authority to cross IC's track before construction can begin, the alternative route (which does not involve crossing IC's track, EA at x, and is denominated as "Route B" in the EA) is not dependent on the Board's approval of Midwest's line-crossing Petition. The final EA should clarify that while Midwest's preferred proposed rail line awaits the Board's decision on the line-crossing Petition, the alternative route simply awaits the Board's completion of the environmental process and final approval by the Board. If Midwest's line-crossing Petition is granted, this issue would be moot, but it would still be useful to clarify the EA as suggested herein.

2. The EA Adequately Addresses All Issues Raised By IC.

In both its August 21, 2001 Preliminary Report and November 9, 2001 Field Analysis Report to the SEA, IC raised a series of issues and concerns regarding the environmental impact of Midwest's proposed rail construction project. Notwithstanding IC's motives for filing such reports -- IC stands to lose Midwest's coal transportation business if rail construction is allowed to proceed -- the SEA has appropriately weighed and addressed all of the issues and concerns raised by IC, as is abundantly clear from the EA.

For example, IC's primary concern was the environmental effects of the proposed crossing of Sugar Run allegedly using an extension of an existing culvert. However, the SEA correctly pointed out in its EA that the proposed rail line would actually cross Sugar Run on a clear span bridge, not using an existing culvert. EA at x, IV-6, and IV-16 to -17. As such, there is no issue concerning a culvert extension.

Another example of the EA's thorough and correct analysis was its response to IC's concern about the alleged environmental impact to four threatened and endangered species (Bald Eagle, Hine's Emerald Dragonfly, Leafy Prairie Clover and Lakeside Daisy), due to their presence in Will County, Illinois. As noted in the EA, both the U.S. Fish and Wildlife Service and the Illinois Department of Natural Resources advised the SEA that no threatened or endangered species were known to be in the vicinity of the project. EA at II-8 to -9. Moreover, two field surveys conducted by the SEA itself did not produce any evidence of threatened or endangered species. EA at II-9.

While there should be no dispute that the SEA adequately addressed all of IC's issues and concerns in the EA, Midwest offers the following additional observations to help clarify and avoid any disputes regarding the SEA's findings and conclusions.

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SEA may wish to elaborate on the lack of environmental impact regarding air emissions and the increased use of electric power at the Joliet Generating Station as a result of Midwest's proposal. See EA at IV-13 to -14 and VI-1. The marginal cost of generating electricity is the basis for "dispatch" of electricity through the grid. In the Midwest, nuclear generating stations typically are dispatched first, followed by coal-fired electric generating stations, then generating stations using other fuels, for reasons of cost. However, the level of demand is such that some coal-fired plants are always in use. Therefore, an increase in use of the Joliet Generating Station will either simply displace electricity generated by other coal-fired generating stations, leading to no net increase in emissions (or a net decrease due to use at Joliet of lower-sulfur Powder River Basin coal), or will not displace any other generation if demand is very high. As such, the anticipated increase in coal usage at the Joliet Generating Station will involve no net increase in emissions, and might produce a net reduction of emissions, from the generation of electricity. Moreover, shorter turn-around times for the locomotives, resulting from the proposed rail-line project will reduce emissions from those locomotives. Midwest's proposed rail line will, therefore, produce net environmental benefits from an air pollution standpoint, in addition to the other benefits identified in the EA.

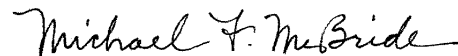
SEA may also wish to expand its discussion of its two site visits, so as to impress upon interested parties that a thorough and comprehensive review of the project area was conducted. While it is clear to Midwest that such a thorough review was conducted, such elaboration would only strengthen an already solid EA. For example, IC claimed that a site visit in the Spring would be preferable to evaluate wetlands issues. Midwest believes that there are no wetlands issues at the site, and that the SEA site visits confirm that. Because one of the site visits was in the Spring (on June 1, 2001), it might be helpful if SEA were to state that it concluded during its Spring visit (and its Fall visit) that there were no identifiable wetland issues. EA at II-6. As already noted in the EA, the 1987 U.S. Army Corps of Engineers Wetland Delineation Manual "requires that an area have the following to be considered a wetland: greater than 50% of the dominant vegetation is hydrophytic, wetland hydrology, and hydric (wetland) soils." EA at II-5. The SEA correctly concluded after two site visits -- one in the Spring (June 1, 2001) and one in the Fall (September 24, 2001) -- that no wetlands are present in the project area. EA at II-6. This same conclusion was also reached by National Resources Consulting, Inc. ("NRC"), a consulting firm that specializes in wetland, biological and environmental permitting services. See NRC Letter dated May 7, 2002, a copy of which is attached hereto. In that letter, NRC states it reviewed the IC's claim about a stand of reed canary grass east of Sugar Run that IC suggested might be a wetland (although IC had not examined its soils or hydrologic features). NRC examined the project area and provided data forms to the Army Corps of Engineers "indicating that none of the three parameters were present that are required for identification of an area as a wetland (citation omitted). The EA adequately describes this." NRC Letter at 2. NRC's Letter adds further support to the EA's unequivocal and correct findings on this issue.

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In sum, Midwest appreciates the hard work and effort of the SEA in producing the EA, and urges the Board to adopt it with the suggested clarifications herein. Midwest urges the Board to do so promptly, given the sufficiency of the EA and the lack of any significant environmental issue, so that Midwest can complete construction of its proposed rail line by the end of October (the usual end of the outdoor construction season in the Midwest, due to the weather). Given that the proposed project may take as much as six months to complete, time is of the essence.

Please do not hesitate to give either one of us a call if you have any questions. Thank you for all of your assistance in this matter.

Very truly yours,



Michael F. McBride
John M. Collins

Attorneys for
Midwest Generation LLC

Attachment

cc (w/Att.): All Persons on Service List



Natural Resources Consulting, Inc.

Specializing in wetland, biological and environmental permitting services

P.O. Box 128
119 S. Main Street, Suite D
Cottage Grove, Wisconsin 53527-0128
Phone: 608-839-1998
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Revised May 7, 2002

Ms. Julia Wozniak, Sr. Biologist
Midwest Generation, Environmental Health & Safety
440 South LaSalle St., Suite 3500
Chicago, Illinois 60605

**Re: Environmental Assessment Review
Proposed Track Alignment, Joliet Station 9
Will County, IL
NRC Project # 00-093**

Dear Ms. Wozniak:

Natural Resources Consulting, Inc. (NRC) has reviewed the portions of the April 12, 2002 Environmental Assessment (EA) entitled "MIDWEST GENERATION, LLC - Exemption from 49 U.S.C. 10901 - For Construction in Will County, Illinois" relating to comments presented by The Louis Berger Group, Inc. (Berger) in their "Field Analysis Report" dated November 9, 2001. Their comments address three different issue areas: floodplain, wetlands and historic property. The purpose of this letter is to assess the level to which each of these areas has been addressed in the EA (Section 4.10 and other related sections), and to make recommendations for further clarification that can be expected to satisfy the concerns that have been raised previously by Berger on behalf of Illinois Central Railroad Company. The most detailed recommendations are provided relative to the wetland issues, as this is one of NRC's areas of expertise. Floodplain analyses and detailed documentation of historic resources for the purpose of investigating their eligibility for listing on the National Register are beyond our area of expertise. However, NRC is familiar with the overall National Environmental Policy Act (NEPA) process and the level of detail that can be necessary to satisfy the lead reviewing agency and result in a Finding of No Significant Impact. Therefore, our recommendations regarding the floodplain and historic resource comments made by Berger are limited to NEPA process aspects.

Flooding

The description of the current design for the crossing of Sugar Run would seem to refute Berger's contention (based on an earlier design) that the crossing would cause flooding. However, it may be necessary to present floodplain model results for the current design, in order to eliminate the potential for further concern in this area, because Berger's points were based on model results. Also, if the County's review of Midwest's application has resulted in a permit since the EA was written, that would provide additional proof of a lack of impact.

Wetlands

The Berger report raises questions about a stand of reed canary grass east of Sugar Run that they say is "likely a wetland", without having examined its soils or hydrologic features. NRC examined this same

Ms. Julia Wozniak
Revised May 7, 2002

area on June 1, 2001 and provided data forms to the USACE indicating that none of the three parameters were present that are required for identification of an area as a wetland (Plot P-2, Attachment 3 of NRC's November 1, 2001 submittal to Kathy Chernich at the USACE). The EA adequately describes this.

The information provided to the USACE was adequate for their determination. To make it easier for a reviewer to independently track the basis for this decision it may be useful to also provide the information submitted by NRC to the USACE, on which the decision was based, including the field data sheets. This allows the reviewer to assess the plans and reach the independent conclusion that the project will not affect wetlands.

Historic Properties

If the Illinois Historic Preservation Agency (IHPA) specifically reviewed the eligibility of the existing railroad bridge for listing on the National Register of Historic Places, that is not evident from their letter. The IHPA qualifies its determination of no effect on historic properties by referencing that their decision is "based upon the information provided". NRC did not specifically ask IHPA to consider the bridge; therefore, their review likely centered on a search of the existing database of registered properties. Since the methods of IHPA's review are not detailed in their letter, the reviewer has no way of independently determining how thorough their analysis was. Therefore, this is perhaps an area that should be reviewed further with IHPA, in order to satisfy reviewers' concerns.

It should also be noted that IHPA's determination states that their determination of compliance with section 106 remains in effect for only one year (until July 23, 2002). Therefore, additional contact may be necessary, depending on your project schedule. NRC would be happy to follow up with IHPA if you so desire.

Thank you for the opportunity to provide further input on this project. If you have any questions, feel free to contact me at 608-827-5668, or call Joe Pagliara at 608-839-1998.

Sincerely,
Natural Resources Consulting, Inc.



Elizabeth A. Day, P.W.S.
Senior Environmental Scientist