

212 437

COVINGTON & BURLING

1201 PENNSYLVANIA AVENUE NW
WASHINGTON, DC 20004-2401
TEL 202.662.6000
FAX 202.662.6291
WWW.COV.COM

WASHINGTON
NEW YORK
SAN FRANCISCO
LONDON
BRUSSELS

MICHAEL L. ROSENTHAL
TEL 202.662.5448
FAX 202.778.5448
MROSENTHAL@COV.COM

November 3, 2004



BY HAND

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

Re: Docket No. 42058, Arizona Electric Power Cooperative, Inc. v. The
Burlington Northern & Santa Fe Ry. and Union Pacific R.R.

Dear Secretary Williams:

Enclosed for filing in the above-referenced proceeding are eleven copies of the PowerPoint presentation that defendants used in their oral argument yesterday.

Please indicate receipt and filing by date-stamping the enclosed extra copy and returning it to our messenger.

Thank you for your assistance.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. L. Rosenthal'.

Michael L. Rosenthal

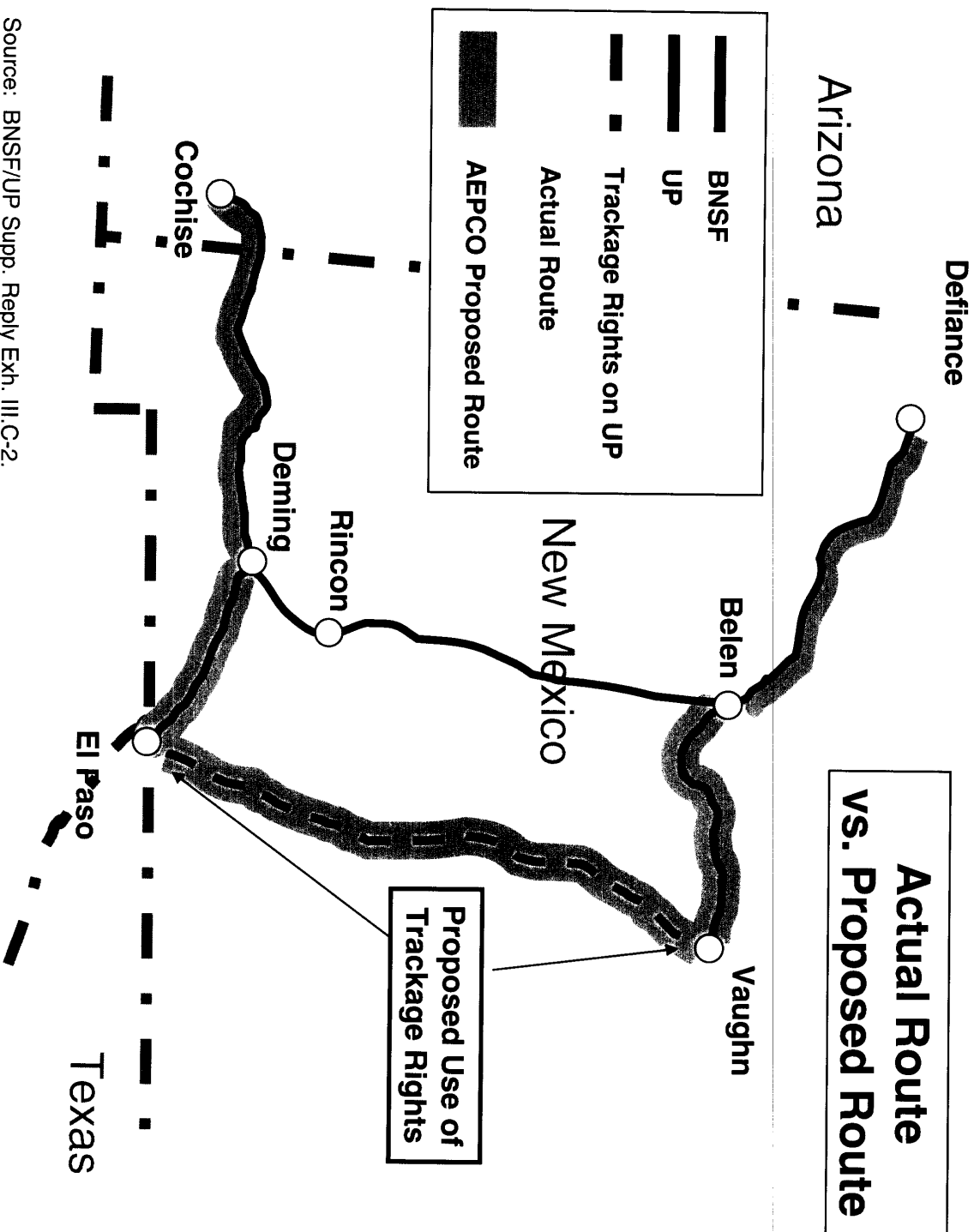
Enclosures

cc: Robert D. Rosenberg w/enclosures (via messenger)
Anthony J. LaRocca w/enclosures (via messenger)

ENTERED
Office of Proceedings

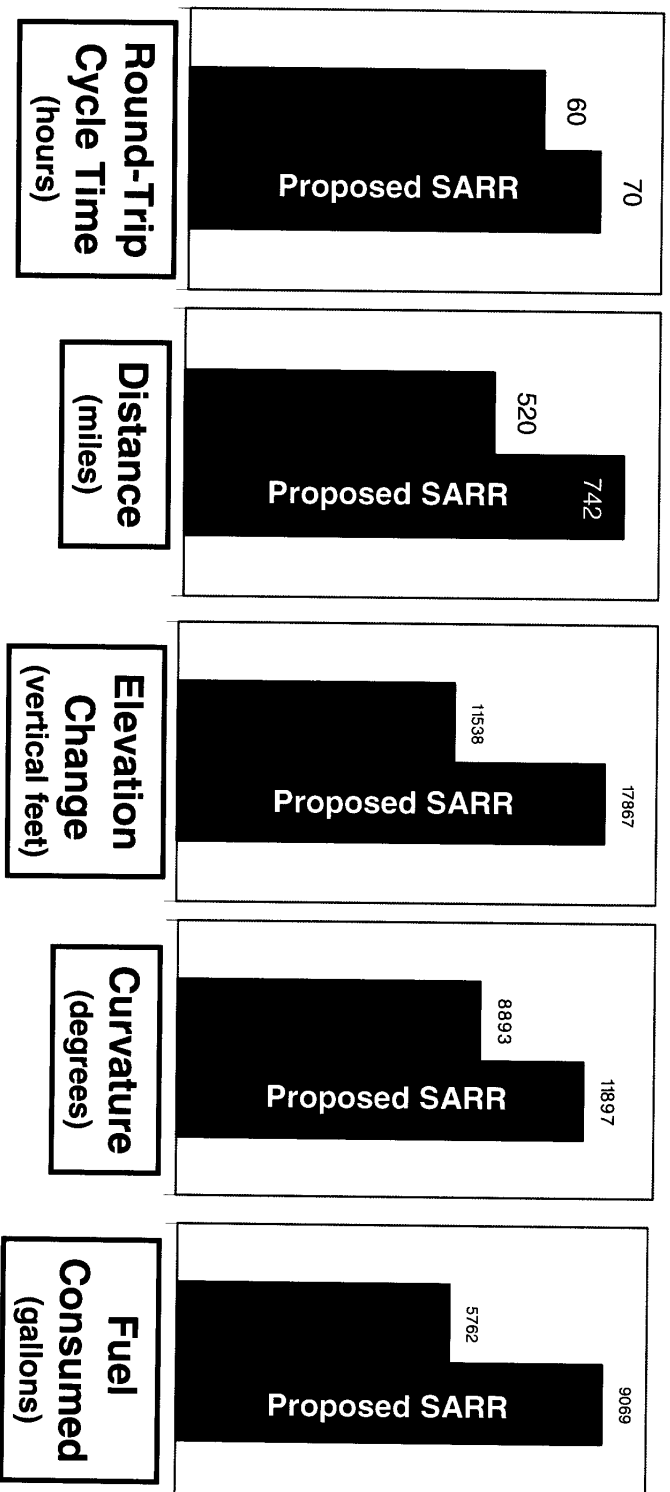
NOV 3 - 2004

Part of
Public Record

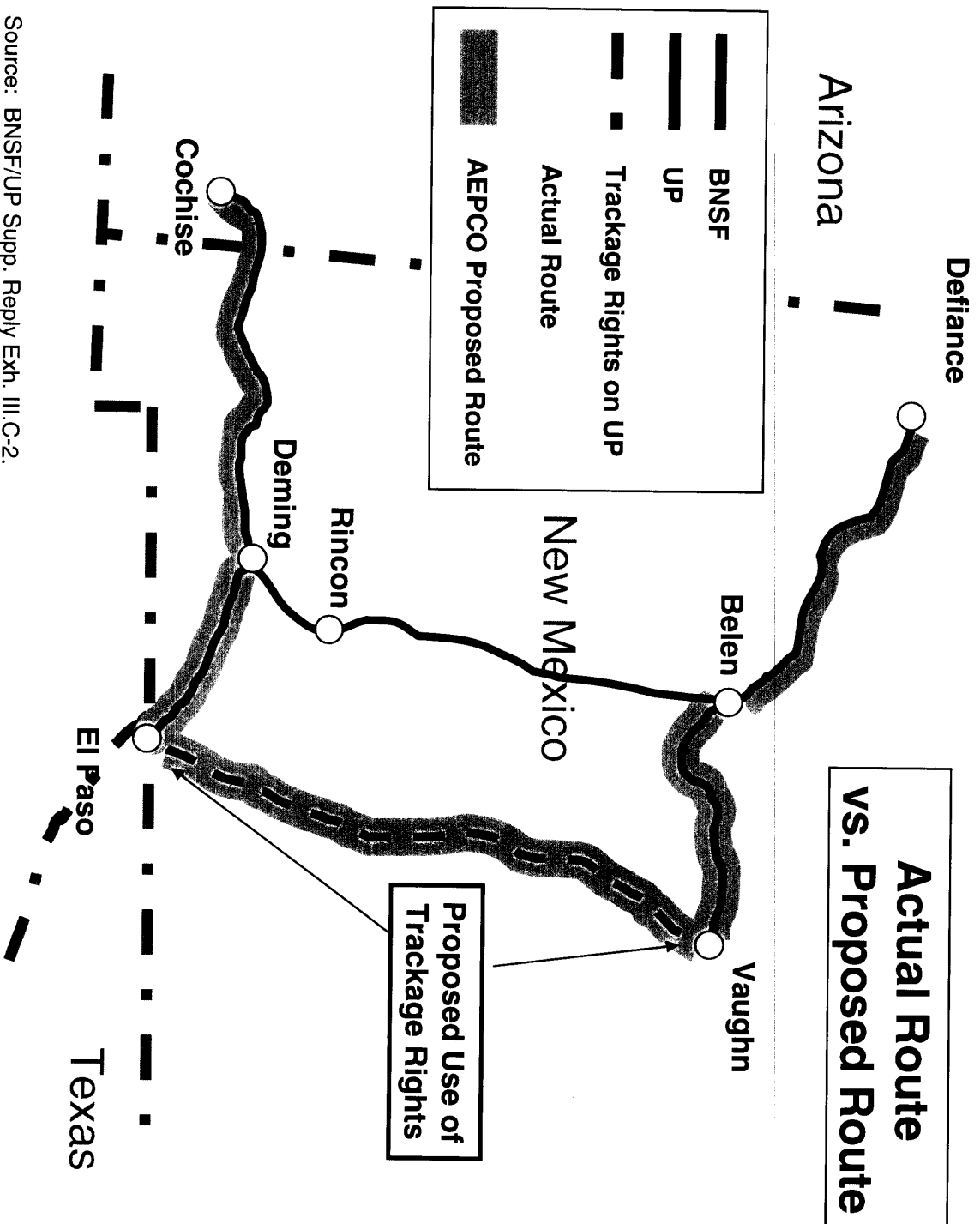


Source: BNSF/UP Supp. Reply Exh. III.C-2.

Proposed ACE Route Is Inferior to Existing Route



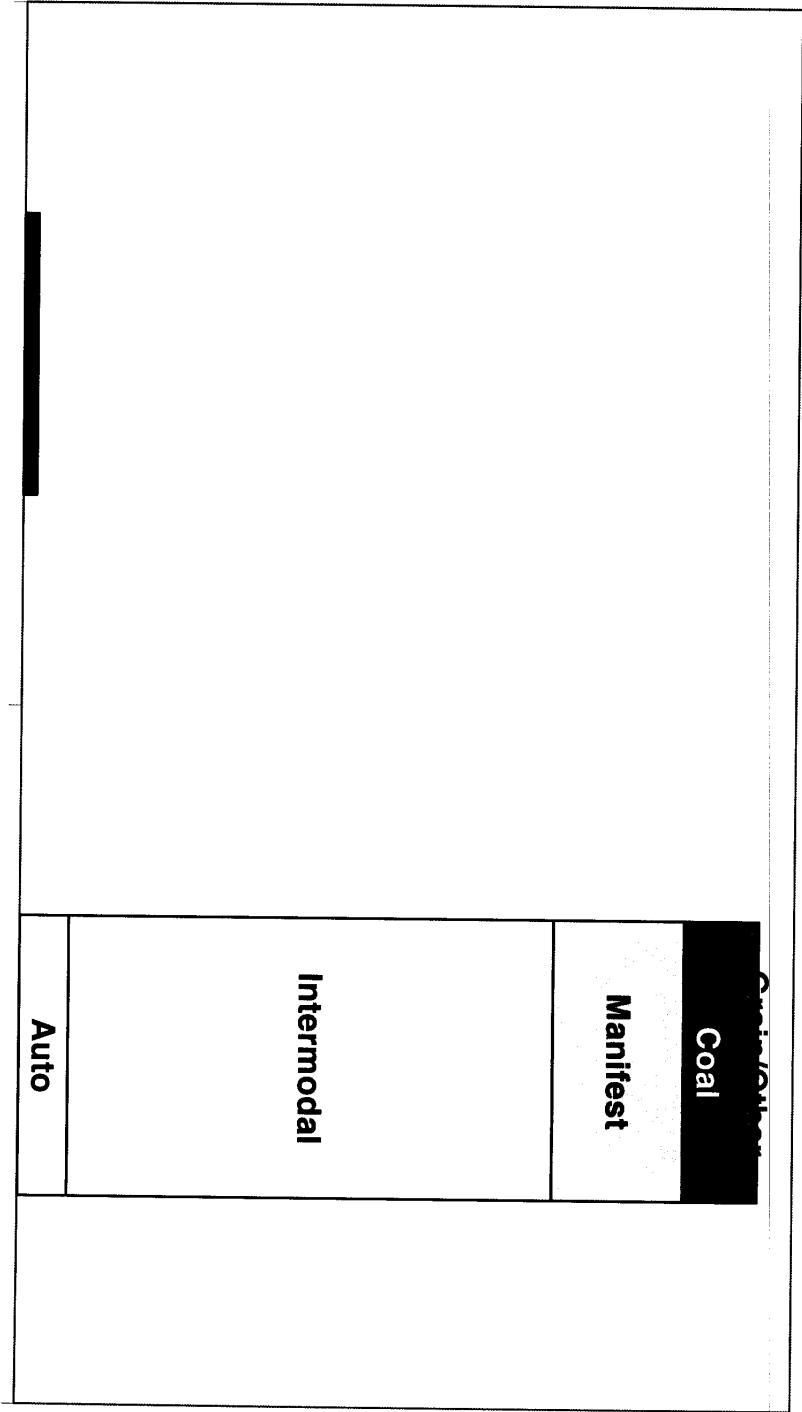
Source: BNSF/UP Supp. Reply III, C-16 to -24; UP Petition at 17-20 & Salzman V.S. at 2-6.



Source: BNSF/UP Supp. Reply Exh. III.C-2.

The Overwhelming Majority of SARR Revenue Is from Cross-Over Traffic (ACE 2001 Revenue)

\$

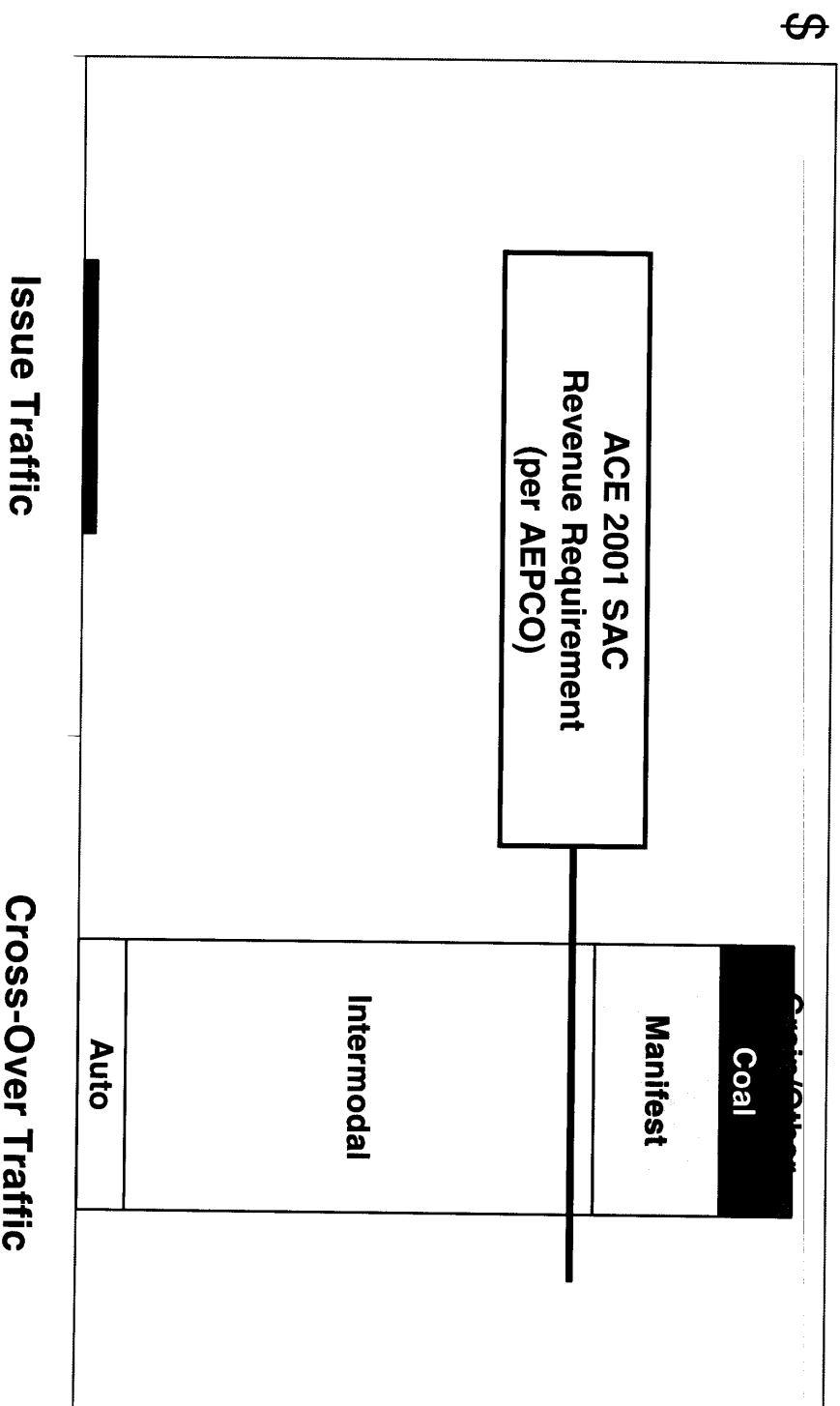


Issue Traffic

Cross-Over Traffic

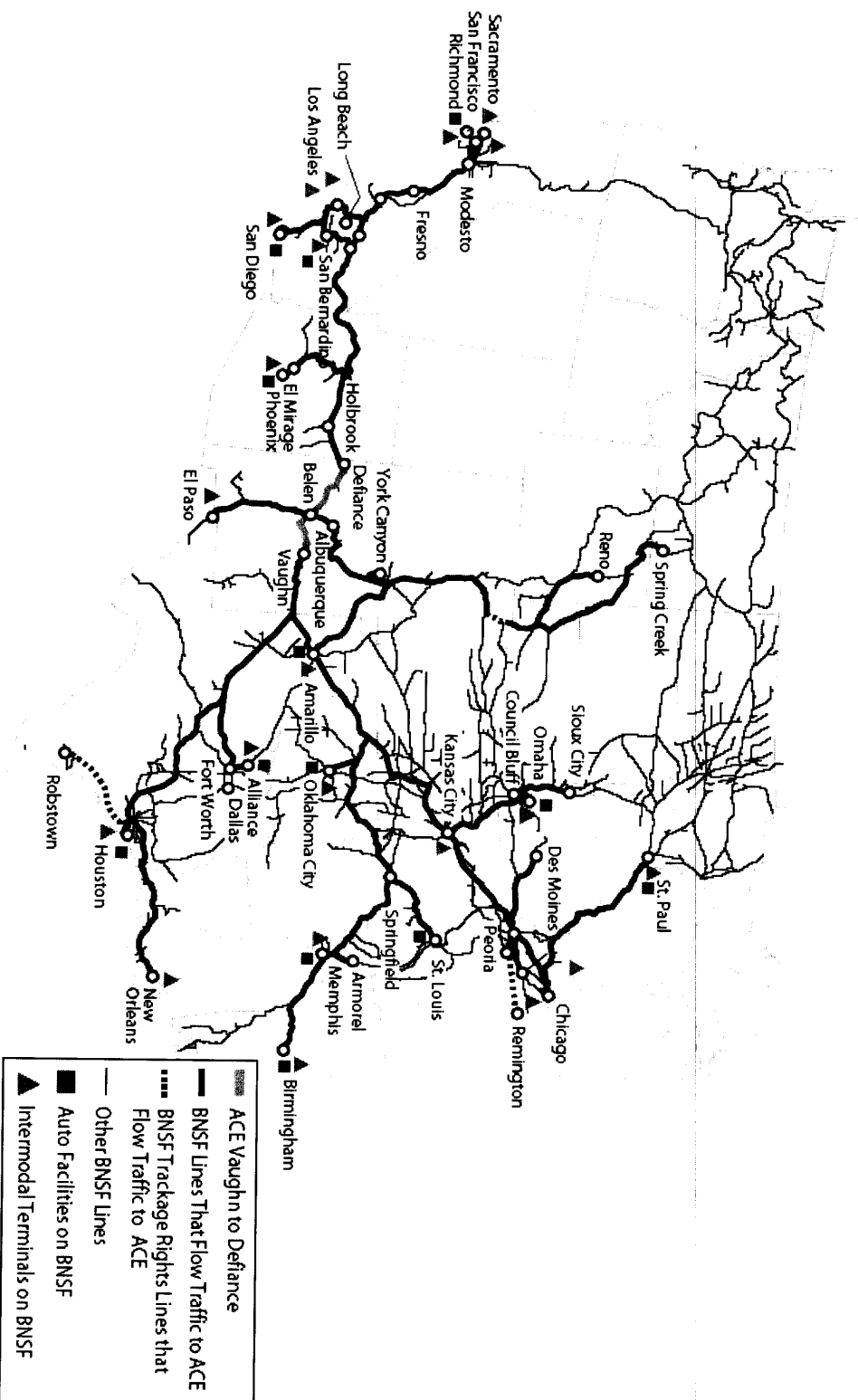
Source: AEPCO Supp. Rebuttal Exhs. III.A-19; III.A-20; III.H-7.

AEPCO Implausibly Assumes that Revenues from Intermodal and Auto Traffic Alone Exceed SAC Costs (ACE 2001 Revenue)



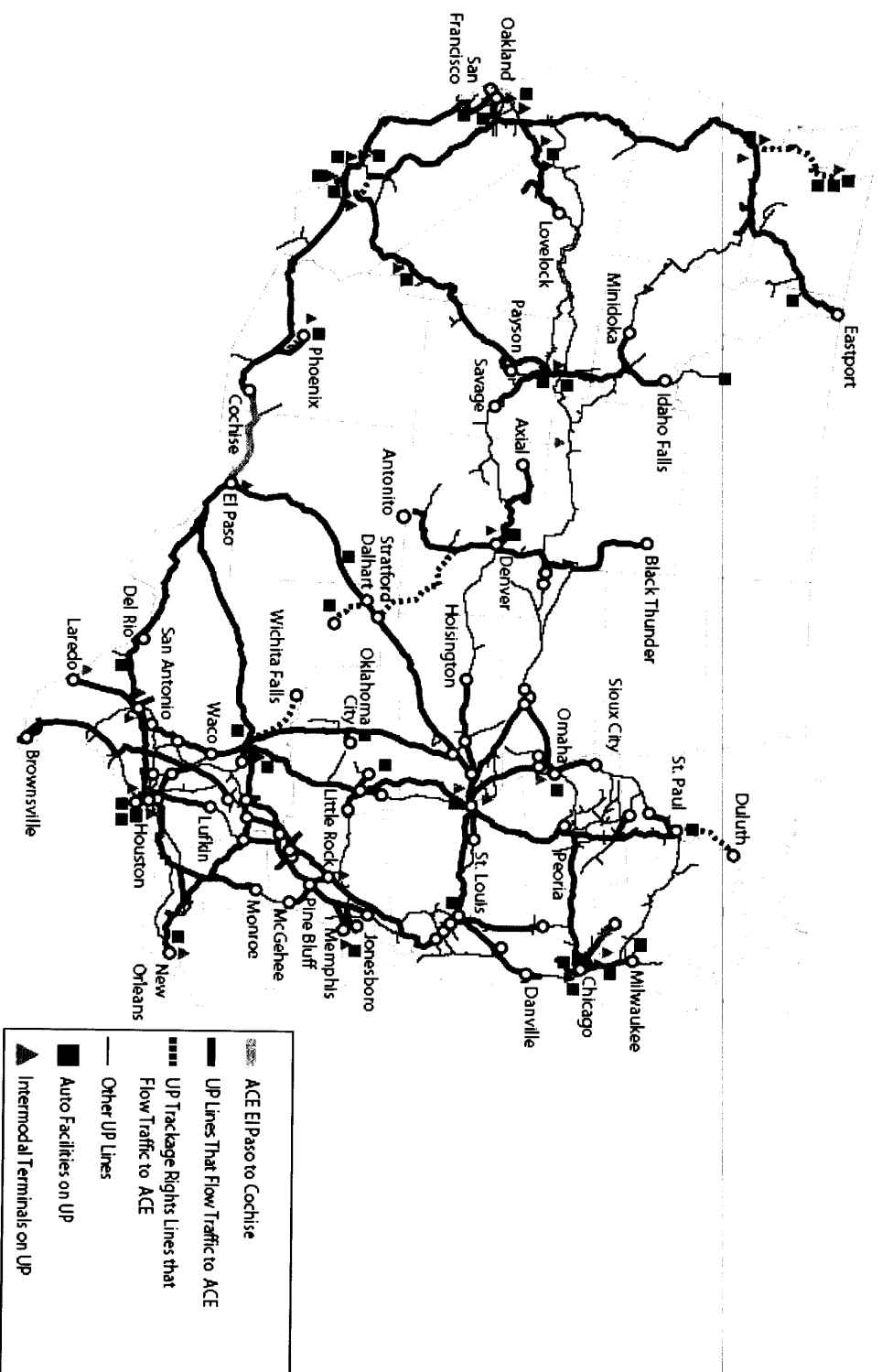
Source: AEPCO Supp. Rebuttal Exhs. III.A-19; III.A-20; III.H-7.

ACE's Dependence on BNSF Network



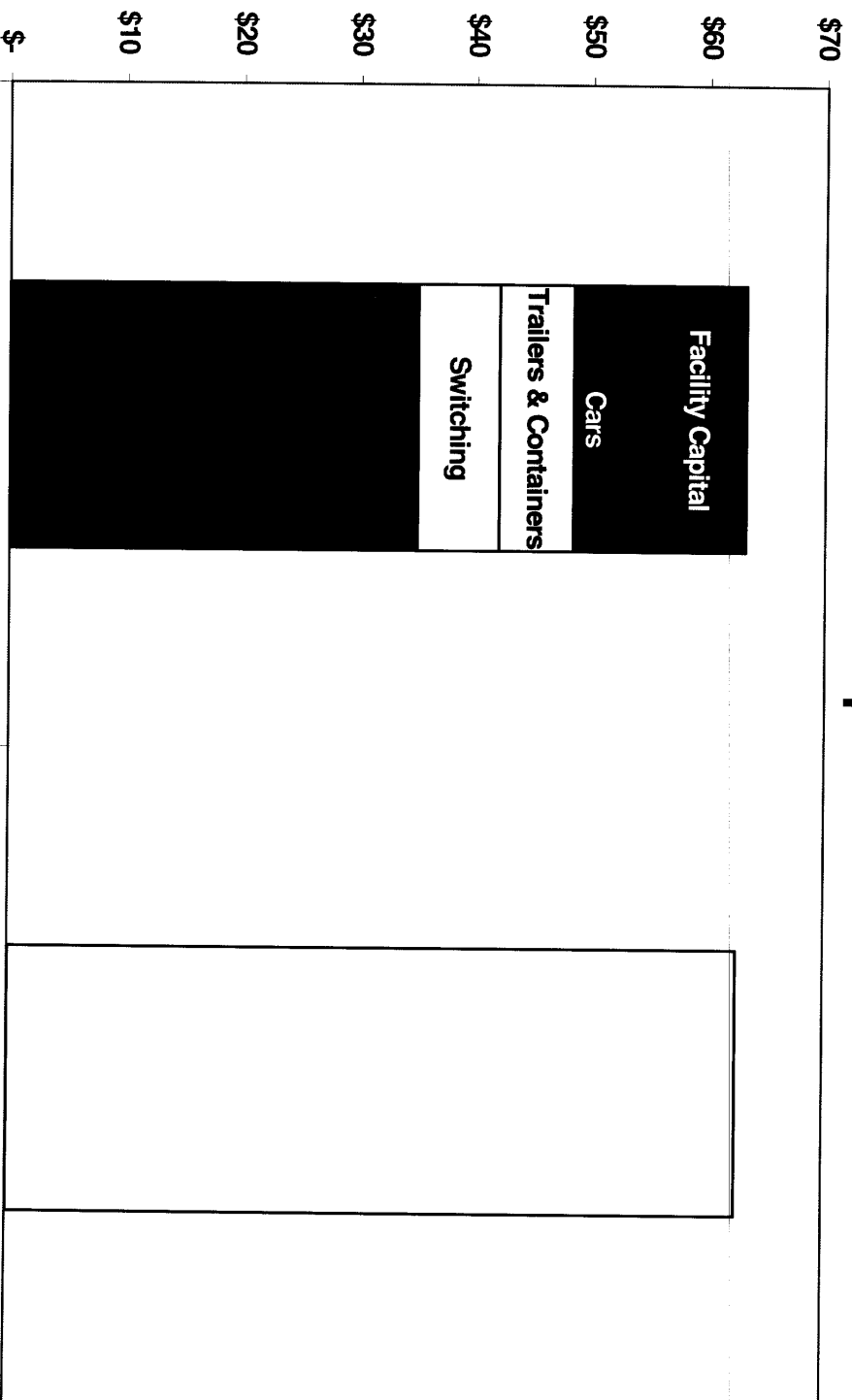
Source: BNSF Reply (May 27, 2003), Exh. I-3.

ACE's Dependence on UP Network



Source: UP Reply (May 27, 2003), Map 1.

Intermodal Origination/Termination Costs per Unit



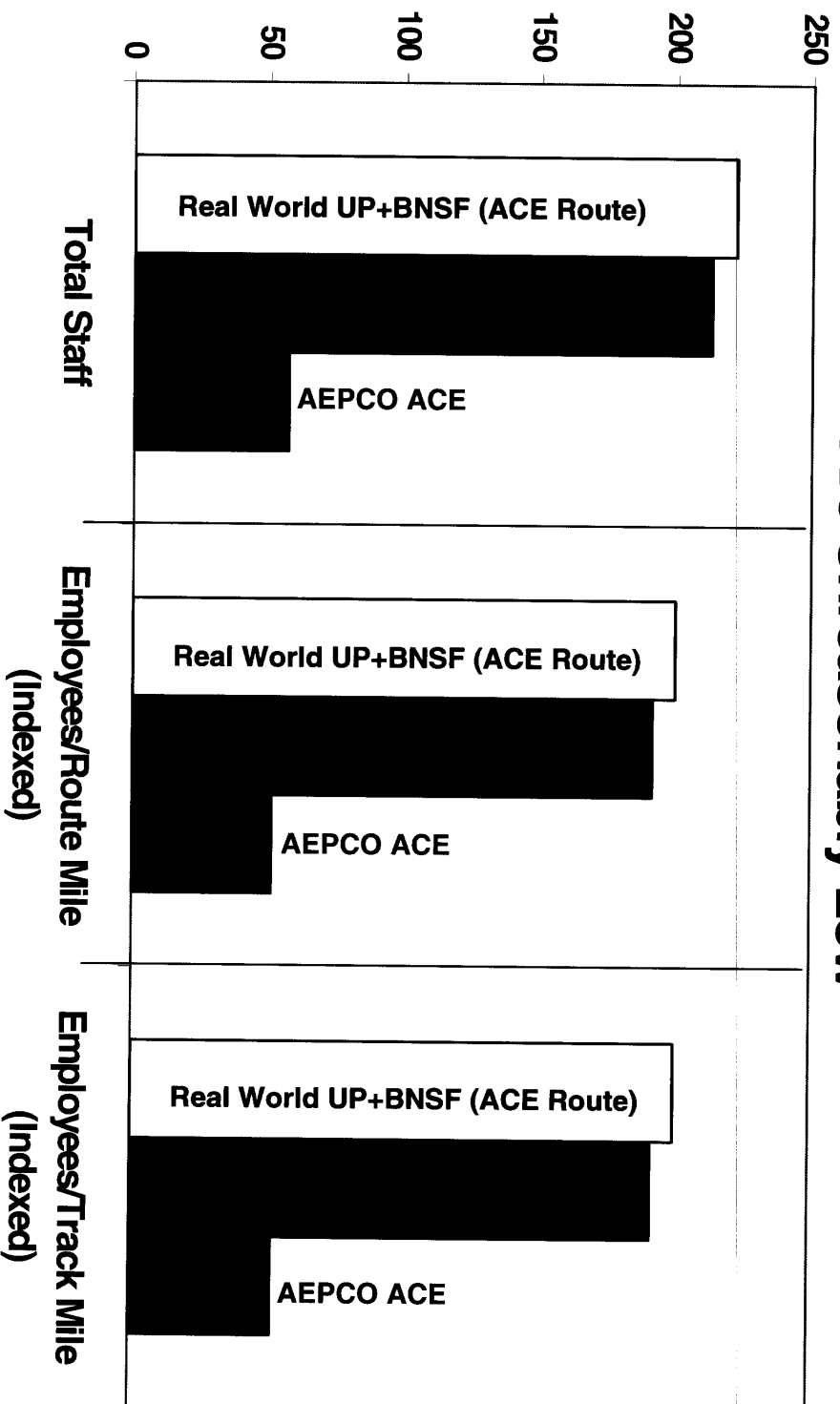
Source: BNSF/UP Supp. Reply at Ill.A.-16 to -24; BNSF/UP Clarification, Exh. A (May 7, 2004).

AEPCO's Hypothesized Transit Times Are Unreasonably Low



Source: AEPCO III-C Supp. Rebuttal Workpapers, Transit Time Comparison.xls.

AEPCO's MoW Staffing Estimates Are Unreasonably Low



* - AEPCO added additional yard on UP segment, increasing MoW needs.

Source: BNSF/UP Supp. Reply Tables III.D.4-3 and III.D.-4-5.

AEPCO's Treatment of SWRR Violates Rule That STB Must Assess the Through Rate

