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October 7, 2005

VIA HAND DELIVERY

The Honorable Vernon A. Williams, Secretary
Surface Transportation Board
Suite 700
1925 K Street, N.W.
Washington, D.C. 20423

ENTERED
Office of Proceedings

OCT - 7 2005

Part of
Public Record



Re: Ex Parte No. 658 – "The 25th Anniversary of the Staggers Rail Act
Of 1980: A Review and Look Ahead;" Notice of Intent to Participate

Dear Secretary Williams:

In accordance with the decision served September 14, 2005 in the above-referenced proceeding, this is to advise the Board that Edison Electric Institute ("EEI"), the association of United States shareholder-owned electric companies, international affiliates, and industry associates worldwide, intends to participate in the hearing to be held by the Board on October 19, 2005. EEI's U.S. members serve 97 percent of the ultimate customers in the shareholder-owned segment of the industry, and 71 percent of all electric utility ultimate customers in the nation. They generate almost 60 percent of the electricity produced by U.S. electric generators. Coal is responsible for over 50 percent of the nation's electricity, and EEI's members consume hundreds of millions of tons of coal annually to generate electricity. As such, EEI's members require safe, adequate, and cost-effective transportation of coal and other commodities to their electric generating stations. Accordingly, EEI speaks for many of the most important customers of the railroads.

Given the changed circumstances of recent years, EEI applauds the Board for deciding to hold the hearing.

The Board's September 14 decision asked that Notices of Intent to Participate "should identify the party, the proposed speaker, the time requested, and the topic(s) to be covered, as soon as possible but no later than October 7, 2005."

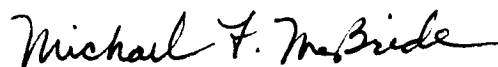
Accordingly, this is to advise the Board that the undersigned will appear on behalf of EEI, together with Mr. Charles Linderman, EEI's Director of Energy Supply Policy or a representative of an EEI member company, or both. We will endeavor to provide the name of the EEI member-company representative, if one is to appear, as soon as possible.

EEI requests 15 minutes to speak at the hearing. EEI intends to address:

- 1) the reasons why the Staggers Rail Act has worked;
- 2) the pro-competitive provisions of the Staggers Rail Act, and why they should be given more and better application in the current circumstances;
- 3) the difficulties with the Board's "stand-alone cost" ("SAC") and other rate-making methodologies;
- 4) the fact that most Class I railroads are "revenue-adequate" in fact, and in the eyes of Wall Street, regardless of the results produced by the Board's "return on investment" methodology;
- 5) the methodology that should be used to set rates for coal transportation on a railroad which is revenue-adequate in fact;
- 6) the methodology that should be used to set rates for coal transportation where SAC is infeasible; and
- 7) the need for protection of captive coal traffic from rate increases by railroads which are revenue-adequate in fact, unless the railroad can demonstrate that, despite its revenue adequacy, it needs to increase rates on captive coal traffic.

Thank you for your cooperation.

Respectfully submitted,



Michael F. McBride

Attorney for Edison Electric Institute

cc: Mr. Charles Linderman, Director, Energy Supply Policy, Edison Electric
Institute