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April 16, 2007

VIA HAND DELIVERY

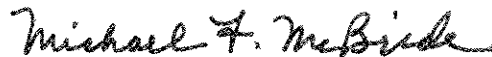
Mr. Vernon A. Williams, Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001

Re: STB Ex Parte No. 670 – Establishment of the Rail Energy Transportation
Advisory Committee

Dear Mr. Williams:

In accordance with the Board's Decision served March 9, 2007, in the above-referenced proceeding, enclosed for filing are the original and ten copies of "Comments of Edison Electric Institute."

Respectfully submitted,



Michael F. McBride

Enclosure

SURFACE TRANSPORTATION BOARD

Ex Parte No. 670

**ESTABLISHMENT OF THE
RAIL ENERGY TRANSPORTATION ADVISORY COMMITTEE**

COMMENTS OF EDISON ELECTRIC INSTITUTE

Pursuant to the Board's Decision served March 9, 2007 in the above-referenced proceeding, Edison Electric Institute ("EEI") hereby submits its comments. EEI is the association of U.S. shareholder-owned electric companies. Our members serve 95% of the ultimate customers in the shareholder-owned segment of the industry, and represent approximately 70% of the U.S. electric power industry. We also have as Affiliate members more than 65 International electric companies, and as Associate members more than 170 industry suppliers and related organizations.

Electric energy is the life-blood of the U.S. economy in the 21st century. Without reliable electric supplies, myriad technical advancements that our society takes for granted would be difficult to imagine. Today, coal represents more than 50 percent of the fuel used for the production of electricity and is expected to continue at that level for the foreseeable future. Most of that coal moves from mine to power plant, in whole or in part, by rail.

EEI commends the Board for its initiative in proposing to establish a Rail Energy Transportation Advisory Committee. We support the appointment of a broad-based Committee made up of senior executives that represents the wide variety of stakeholders involved in the transportation of resources critical to the nation's energy supply.

EEI strongly recommends that coal and ethanol shippers be represented on the Committee. Coal and ethanol are among the most important energy commodities for the

Committee and the STB to understand thoroughly, because they are both nearly exclusively dependent on the rail mode for transportation. Coal and ethanol are also alike in that they tend to be transported in shipper-owned equipment. Shippers have paid for major investments, such as railcars, unloading facilities at power plants, loop tracks and take-or-pay contracts, among others, that have made possible the development of the critical coal reserves throughout the West. Coal from the West tends to be low-sulfur, and is necessary to meet Clean Air Act obligations. Ethanol must move by rail, unless the barge mode is available, because ethanol-containing fuels cannot be put into petroleum pipelines, because the ethanol absorbs water in the pipelines, which destroys the fuel. Because of these unique characteristics of ethanol, shipper-owned or -leased railcars are likely to be necessary to allow the maturation of that industry, and consequently, a reduction in demand for petroleum based motor fuel. It is not simply the investment in cars that is crucial to these industries, but also the development of private car-repair shops so that shipper-owned equipment can be maintained in accordance with Federal Railroad Administration standards.

The Board should consider requiring the Committee to develop an Annual Report on multi-industry stakeholder consensus views of the adequacy of rail capacity and infrastructure for the transportation of coal and ethanol. The Committee should also be charged with estimating the timing for when new rail infrastructure will be needed to support power plant and ethanol plant deployment.

Biofuels and nuclear waste should also be considered for Committee membership. Selection of coal-burning utilities that also operate one or more nuclear plants would be a simple means of adding the perspective of those who hope to transport nuclear waste to the Yucca Mountain Repository in Nevada.

In addition, the STB should evaluate how much heavy and over-sized electrical equipment such as generators (steam, natural gas and wind), transformers and wind turbine blades can be transported by rail so that they do not cause further stress to the already overstressed highway system. The future role of such equipment in the economy also merits consideration for representation on the Committee.

EEI recommends that a Committee of approximately 18 would be an appropriate size, roughly split into thirds between (a) Class I, II, and III Railroads, (b) utilities, and (c) ethanol shippers, to provide the STB with sector-specific information on demand, capacity, service and related issues. If the STB is uncertain how to select representatives for the Committee, ton-miles shipped, at least among coal shippers, could be used as a measure of stakeholder status.

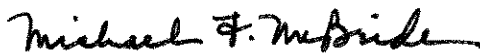
In addition, a large manufacturer of electrical generation and transmission equipment, and locomotives, such as General Electric, could provide the Committee with insights into the requirements of heavy electrical equipment and locomotives for potential future rail transportation. The electric industry is at the early stage of a build-cycle in electric generation, but much of the fabrication infrastructure now exists only in Asia. So a greater percentage of power plant components are likely to be imported than in the past and rail delivery is likely to be an important last step in their transportation to the new plant site.

A state regulator, active in the National Association of Regulatory Utility Commissioners, could also add a helpful perspective to the deliberations of the Committee. State regulators play a key oversight role in providing for the recovery of fuel transportation costs expended by regulated electric utilities, as well as the approval of and recovery of capital costs associated with new construction of generating plants and related facilities.

Conclusion

EEI commends the Board for the steps it has taken thus far in this proceeding, and urges the Board to go forward with the appointment of a stakeholder-driven Rail Energy Transportation Advisory Committee. Such a Committee could provide the Board with valuable new information and perspective on matters that directly impact the future of both the railroad industry as well as key components of the U.S. energy economy.

Respectfully submitted,



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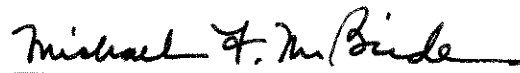
CERTIFICATE OF SERVICE

I hereby certify that I have served this 16th day of April, 2007, a copy of the foregoing
“Comments of Edison Electric Institute” upon the following parties of record:

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