

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB Docket No. 42104

225414

ENTERGY ARKANSAS, INC. AND ENTERGY SERVICES, INC.

v.

UNION PACIFIC RAILROAD COMPANY

AND

MISSOURI & NORTHERN ARKANSAS RAILROAD COMPANY, INC.

Finance Docket No. 32187

225415

MISSOURI & NORTHERN ARKANSAS RAILROAD COMPANY, INC.

—LEASE, ACQUISITION AND OPERATION EXEMPTION—

**MISSOURI PACIFIC RAILROAD COMPANY AND BURLINGTON NORTHERN RAILROAD
COMPANY**

**INTERVENOR ARKANSAS ELECTRIC COOPERATIVE CORPORATION'S
JOINDER IN AND SUPPLEMENT TO
AMENDED COMPLAINT FILED BY ENTERGY**

**Michael A. Nelson
131 North Street
Dalton, MA 01226
(413) 684-2044**

Transportation Consultant

**Eric Von Salzen
McLeod, Watkinson & Miller
One Massachusetts Avenue, N.W.
Suite 800
Washington, DC 20001
(202) 842-2345**

**Counsel for Arkansas Electric Cooperative
Corporation**

Dated: July 27, 2009

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB Docket No. 42104

**ENTERGY ARKANSAS, INC. AND ENTERGY SERVICES, INC.
v.
UNION PACIFIC RAILROAD COMPANY
AND
MISSOURI & NORTHERN ARKANSAS RAILROAD COMPANY, INC.**

Finance Docket No. 32187

**MISSOURI & NORTHERN ARKANSAS RAILROAD COMPANY, INC.
—LEASE, ACQUISITION AND OPERATION EXEMPTION—
MISSOURI PACIFIC RAILROAD COMPANY AND BURLINGTON NORTHERN RAILROAD COMPANY**

**INTERVENOR ARKANSAS ELECTRIC COOPERATIVE CORPORATION'S
JOINDER IN AND SUPPLEMENT TO
AMENDED COMPLAINT FILED BY ENTERGY**

Pursuant to the Board's decision served June 26, 2009, Arkansas Electric Cooperative Corporation (AECC), 1/ Intervenor herein, 2/ hereby submits this joinder in and supplement to Entergy's Amended Complaint.

1 / AECC is a co-owner with several affiliates of Entergy Corporation (Entergy Corporation, Entergy Arkansas, Inc., Entergy Services, Inc., and affiliates are referred to individually and collectively as Entergy) of the Independence Steam Electric Station (Independence Station), the electric power generation facility that is the subject of this case, and therefore suffers the same kind of injuries as does Entergy.

2/ The Board granted AECC's Petition to intervene by its Decision served May 19, 2008. AECC has participated actively as a party in these proceedings since that time.

1. AECC is a corporation organized under the laws of the State of Arkansas, with its principal place of business located at 1 Cooperative Way, Little Rock, Arkansas 72219. AECC is a supplier of wholesale electricity and is owned by seventeen distribution cooperatives in Arkansas. The distribution cooperatives serve more than 60 percent of the land area in Arkansas and include approximately 490,000 members. AECC holds a 35 percent ownership interest in the coal-fired power plant located near Newark, Arkansas referenced herein as Independence Station.

2. AECC incorporates herein the numbered paragraphs of the Amended Complaint filed by Entergy on July 27, 2009.

3. Although MNA is physically capable of interchanging with a rail carrier other than UP to deliver PRB coal traffic to Independence Station, due to interchange commitments in the MNA Lease MNA currently does not provide competition to UP for such traffic.

4. For PRB coal traffic to Independence Station, UP faces no effective competition from other rail carriers or modes of transportation. UP therefore holds market power sufficient to support substantial differential pricing on this traffic.

5. Subsequent to the creation of MNA, Independence Station has experienced repeated episodes of inadequate service from UP, as a result of which Independence Station has incurred substantial costs and disruptions including but not limited to burn restrictions and addition of trainsets to counteract chronic cycle time performance deficiencies.

6. In the 1980's, prior to the creation of MNA, UP's normal route south of Kansas City for loaded unit train movements of PRB coal to Independence Station traversed the line over which MNA now operates. On information and belief, the length of this route is 405 miles.

7. Subsequent to the creation of MNA, UP's normal route south of Kansas City for loaded unit train movements of PRB coal to Independence Station has made use of UP's route via eastern Oklahoma and North Little Rock, AR. On information and belief, the length of this route is 572 miles, an increase of 167 miles compared to the normal route used before the creation of MNA.

8. On information and belief, the length of the BNSF route from Kansas City to Lamar, MO is 140 miles, and the length of the MNA route from Lamar to Independence Station is 280 miles.

9. On information and belief, although the BNSF route from Kansas City to Lamar is slightly longer than the MNA route from Kansas City to Lamar, the BNSF route is the preferable route for PRB unit coal train movements because of its favorable profile.

10. Under 49 U.S.C. § 10705(a)(2), "(T)he Board may require a rail carrier to include in a through route substantially less than the entire length of its railroad and any intermediate railroad operated with it under common management or control if that intermediate railroad lies between the terminals of the through route only when—(A) required under section 10741, 10742, or 11102 of this title; (B) inclusion of those lines would make the through route unreasonably long when compared with a practicable alternative through route that could be established; or (C) the Board decides that the proposed through route is needed to provide adequate, and more efficient or economic, transportation."

11. The UP route through Oklahoma is unreasonably long when compared with practicable alternative through routes that could be established.

12. Such an alternative through route is needed to provide adequate, and more efficient or economic, transportation, which would result in reduced resource costs.

13. Such an alternative through route would include a portion of the track operated by MNA under lease from UP. On information and belief, UP claims to have the authority to cancel the MNA lease unilaterally or otherwise to interfere with MNA's participation in such an alternative through route prescribed by the Board. Such action by UP would or could interfere with the operation and effectiveness of any through route prescribed by this Board that includes MNA-operated trackage.

14. Under 49 U.S.C. § 11102(a), "(T)he Board may require terminal facilities, including main-line tracks for a reasonable distance outside of a terminal, owned by a rail carrier providing transportation subject to the jurisdiction of the Board under this part, to be used by another rail carrier if the Board finds that use to be practicable and in the public interest without substantially impairing the ability of the rail carrier owning the facilities or entitled to use the facilities to handle its own business."

15. On information and belief, between Lamar and Independence Station, the line now operated by MNA is a former Class I mainline; the primary movement of rail cars on this portion of MNA is the return of empty PRB unit coal trains from Independence Station to Kansas City.

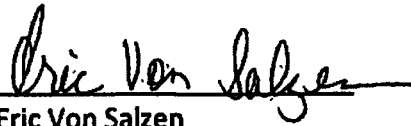
16. On information and belief, between Diaz Junction and Independence Station, the line now operated by MNA is a former Class I mainline; the primary rail traffic on this portion of MNA is the loaded movement of PRB unit coal trains to Independence Station.

17. On information and belief, BNSF has trackage rights over UP's line between Diaz Junction and Hoxie, AR.

18. If UP cancels the MNA lease or otherwise interferes with MNA's participation in an alternative through route prescribed by the Board, use of the lines described in Paragraphs 15 and 16 as terminal facilities to move PRB unit coal trains to (and empty cars from) Independence Station would be practicable and would not substantially impair the ability of the rail carrier owning or entitled to use the facilities to handle its own business.

WHEREFORE, (1) AECC joins Entergy in requesting that the Board enter an order prescribing a through route (or through routes) that would permit Entergy and AECC to obtain adequate and more efficient or economic transportation of coal from the PRB to Independence Station; (2) AECC further requests that the Board require that, if UP exercises any right to cancel the MNA lease or any other contractual right that interferes with a through route prescribed by the Board, the affected lines may be used by another rail carrier as terminal facilities and as main-line tracks for a reasonable distance outside of a terminal to permit the operation and effectiveness of the prescribed through route; and (3) AECC further requests that the Board take such other actions as may be reasonable and necessary.

Respectfully submitted,

A handwritten signature in black ink, reading "Eric Von Salzen", with a horizontal line drawn underneath it.

Eric Von Salzen
McLeod, Watkinson & Miller
One Massachusetts Avenue, N.W.
Suite 800
Washington, DC 20001
(202) 842-2345

Michael A. Nelson
131 North Street
Dalton, MA 01226
(413) 684-2044

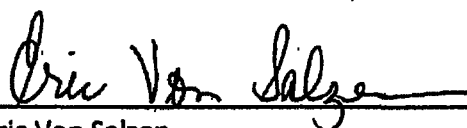
Transportation Consultant

Counsel for Arkansas Electric Cooperative
Corporation

Dated: July 27, 2009

CERTIFICATE OF SERVICE

I hereby certify that on this 27th day of July 2009, I caused a copy of the foregoing document to be served by first class mail, postage prepaid, on those person listed on the Board's Service List in Docket No. 42104.


Eric Von Salzen