

NCTA's 7th On Time Performance

Rail Service Survey

From the Utility Perspective

▀ NCTA Fall Conference

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Presented by
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NCTA/FRCA/NRECA Utility Members On Time Performance Survey



- On Time Performance (OTP) data from the Shipper Perspective
- Valid (anonymous) data showing different shipper experiences than RR metrics stories
- OTP Transit time service metrics are a value as benchmark and logistics and planning tool for shippers
- OTP data has become useful in dialogue with Surface Transportation Board members, staff, and Senate and House Congressional Staff
 1. Used in discussions with STB's Members and during meetings of the Rail Energy Transportation Advisory Committee (RETAC)
 2. OTP Survey data highlights the value of service data and the importance of Railroad Service Metrics being reported to the STB
 3. OTP Survey data is helping make the case before Congress that enhancing safety of our nation's freight rail network is integral to the US Congress also addressing continued systemic freight rail service problems being experienced by shippers

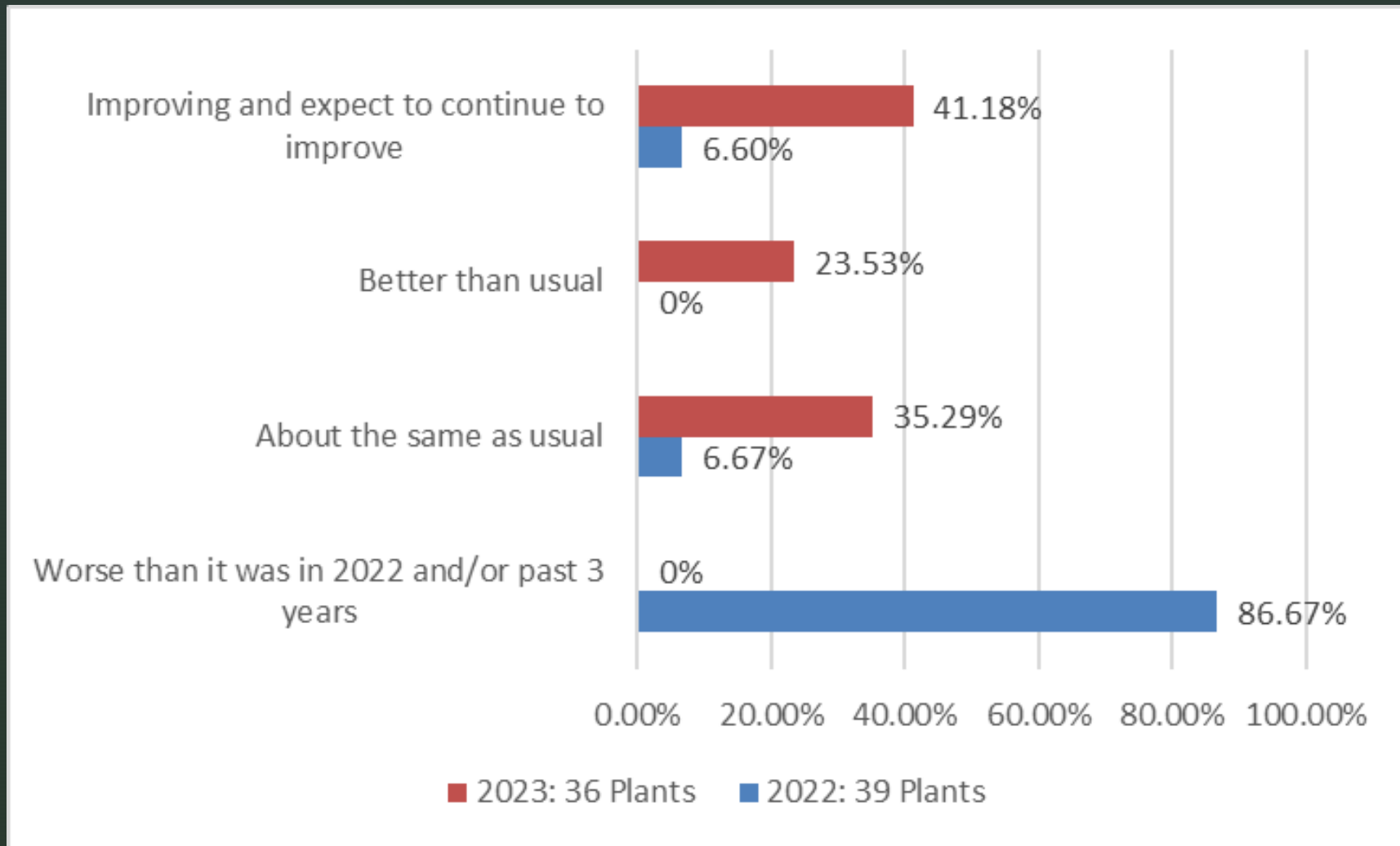


7th On Time Performance Utility Shipper Survey

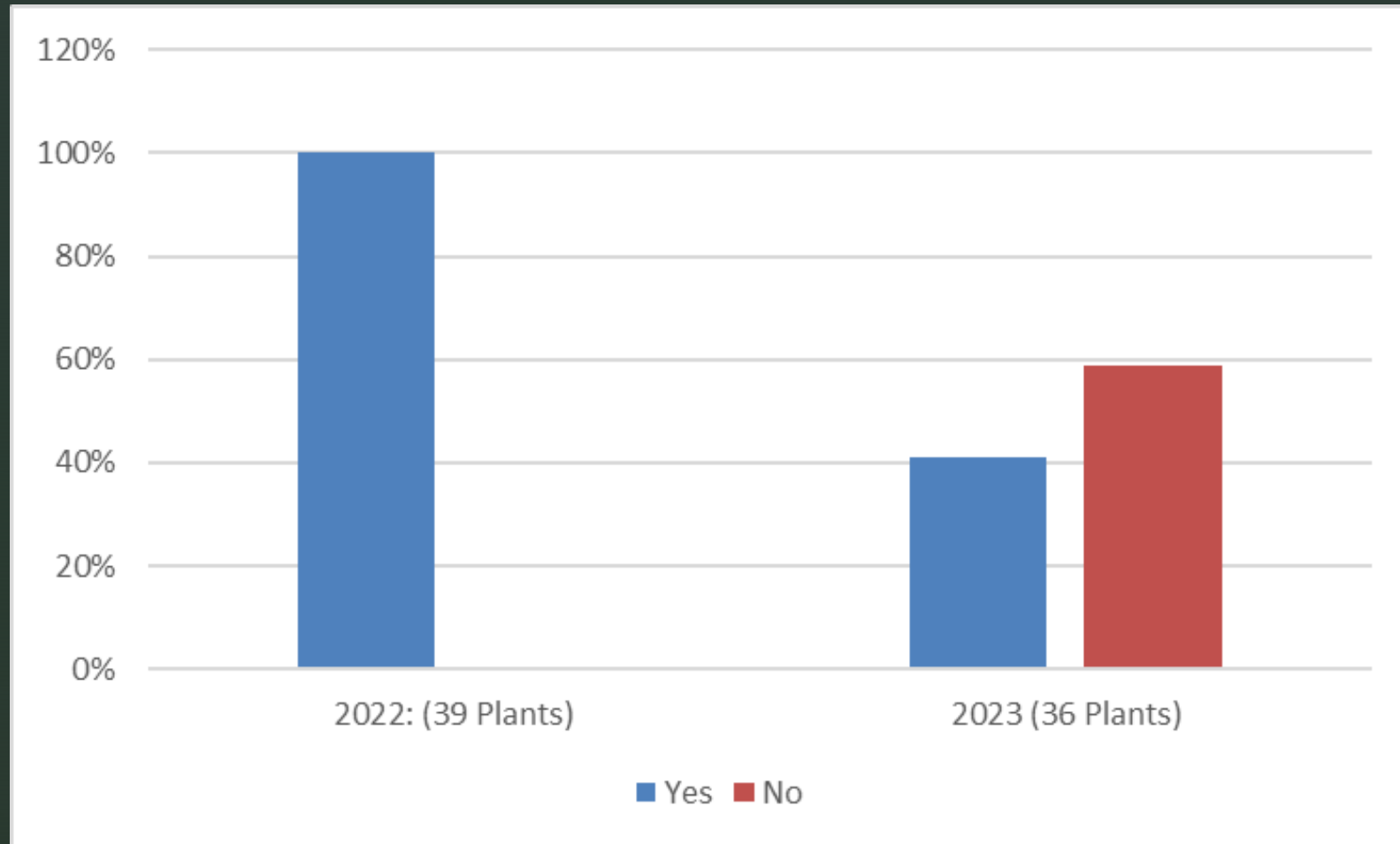
January 2023-June 2023

- First Survey: August 2019-July 2020, Second Survey: August 2021-December 2020 , Third Survey: January 2021- June 2021, Fourth Survey: July 2021-Dec 2021; Fifth Survey: Jan 2022-June 2022; Sixth Survey: July 2022-Dec 2022
- Seventh Survey: Jan 2023-June 2023
 - ✓ Represents 36 Plants
 - ✓ 6 Coal Supply Regions: SPRB, NPRB, Rockies, NAPP, CAPP, ILB
 - ✓ Class I Railroads, Multi Line & Short-line Movements
 - ✓ Mine to plant transit time per railroad and coal mine region per one-way mileage grouping
 - ✓ Monthly Nominations Fulfilled by the carriers: Yes/No – How many short?
 - ✓ Voluntary participation - Utility member identity confidential

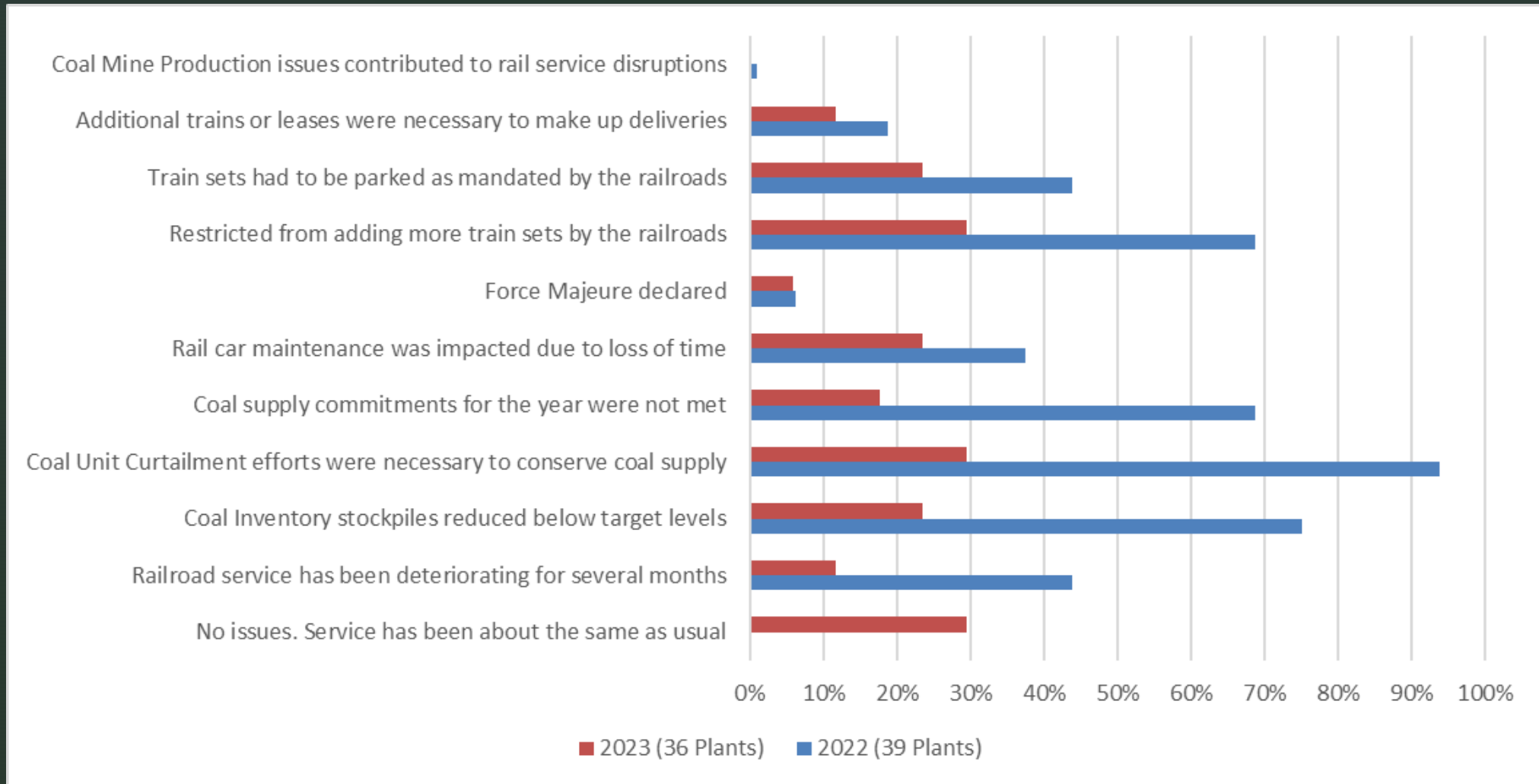
Q 2: How would you describe your railroad service in the first half of 2022 (39 Plants) and 2023 (36 Plants):



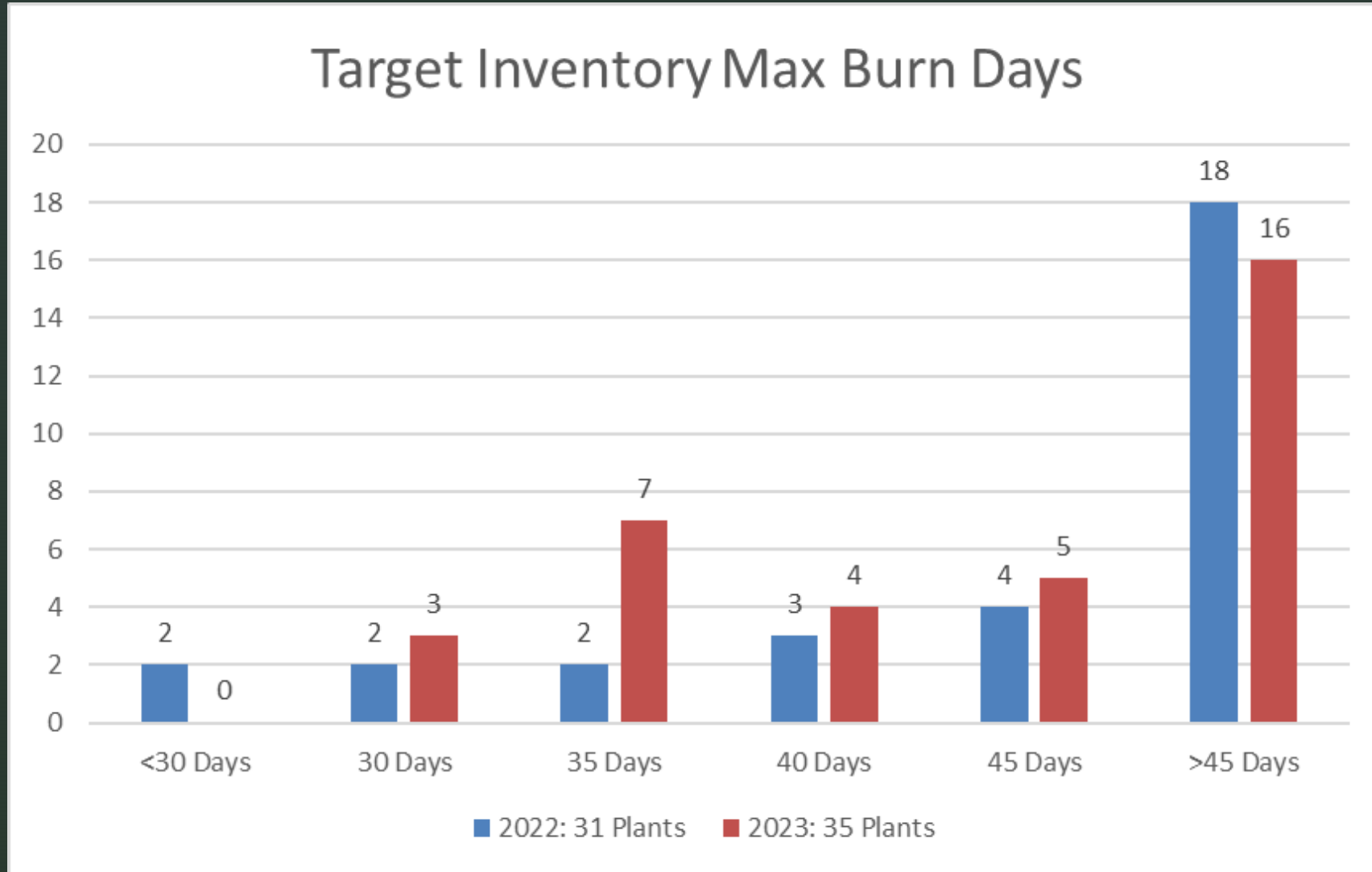
Q3: Has your company modified its operations in the first half of (2022 and 2023) due to railroad transportation service issues, disruptions and delays?



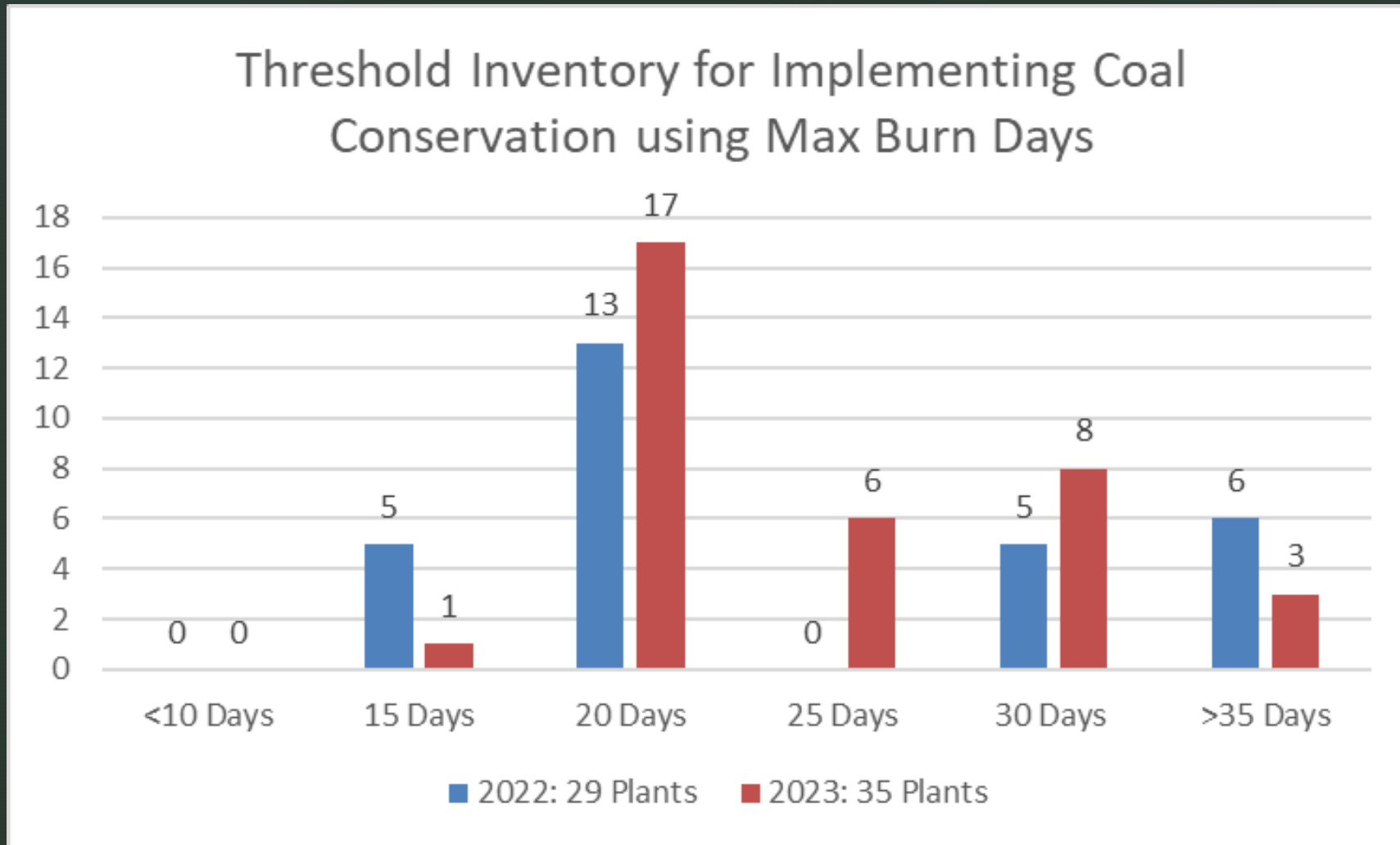
Q4: In what way have your operations been impacted by railroad service issues in the first half of (2023: 36 Plants) and (2022: 39 Plants)? Check all that apply



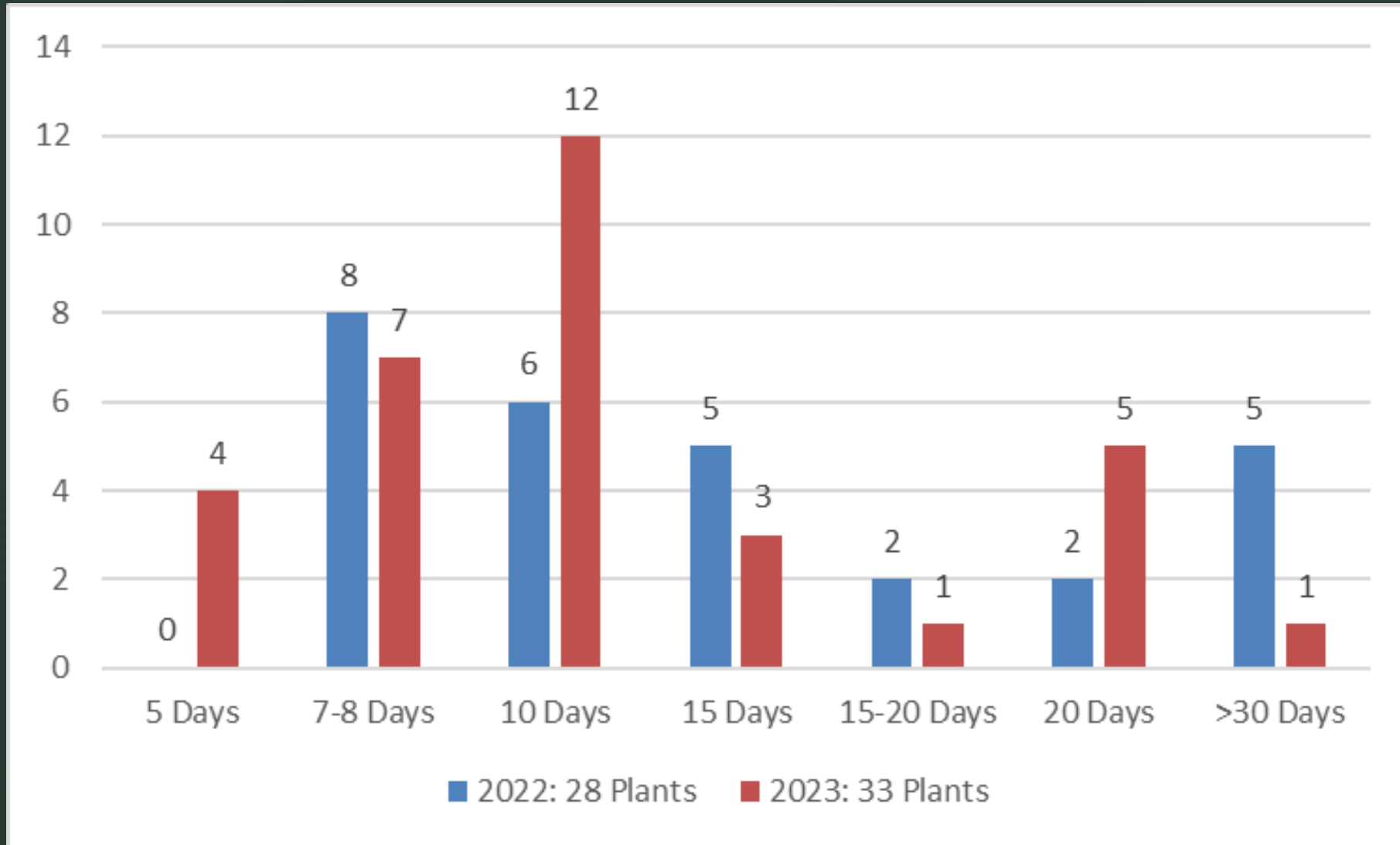
Question 7: What is your target inventory using maximum days of inventory ?



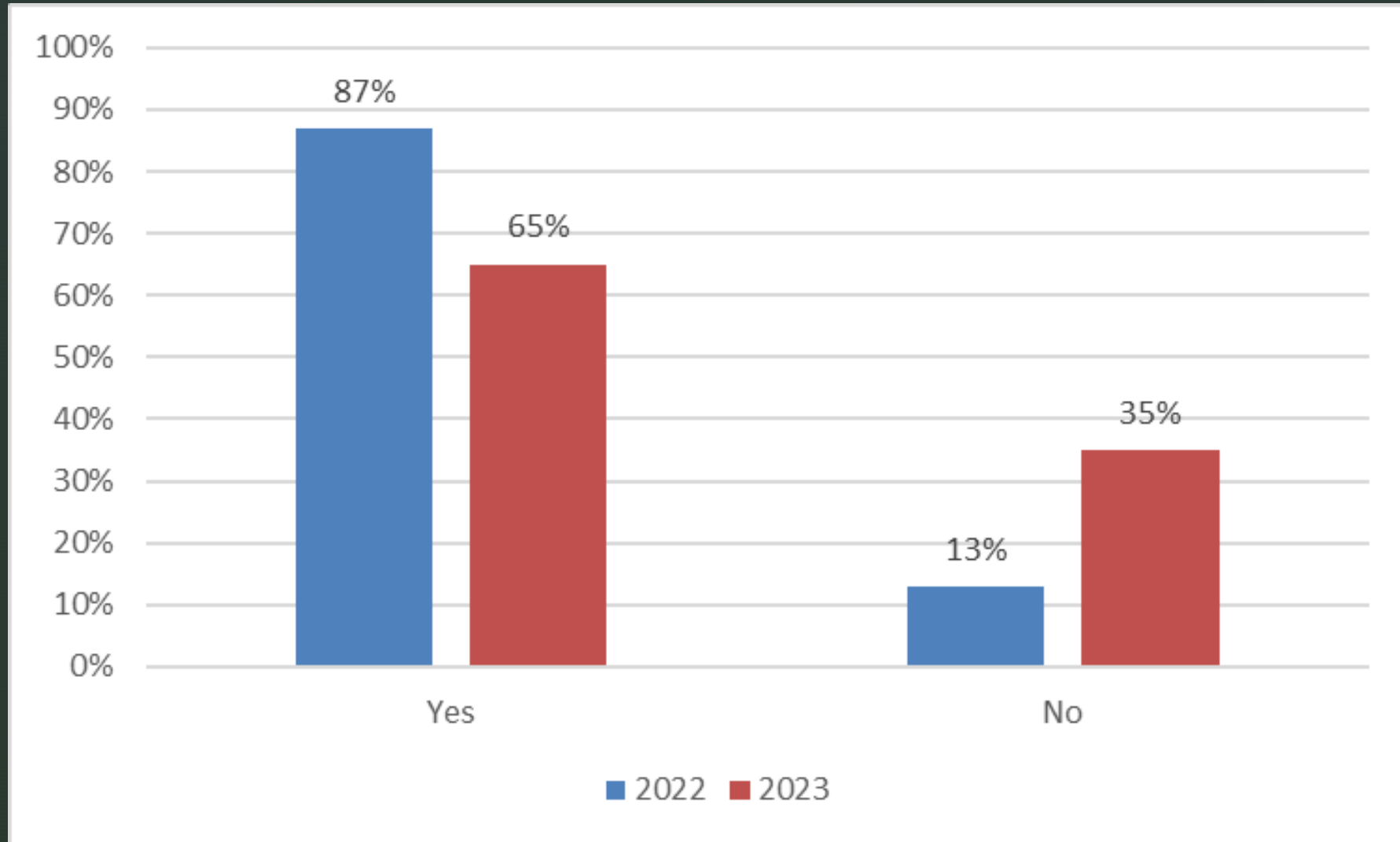
Question 8: What is your threshold inventory for implementing coal conservation using max burn days?



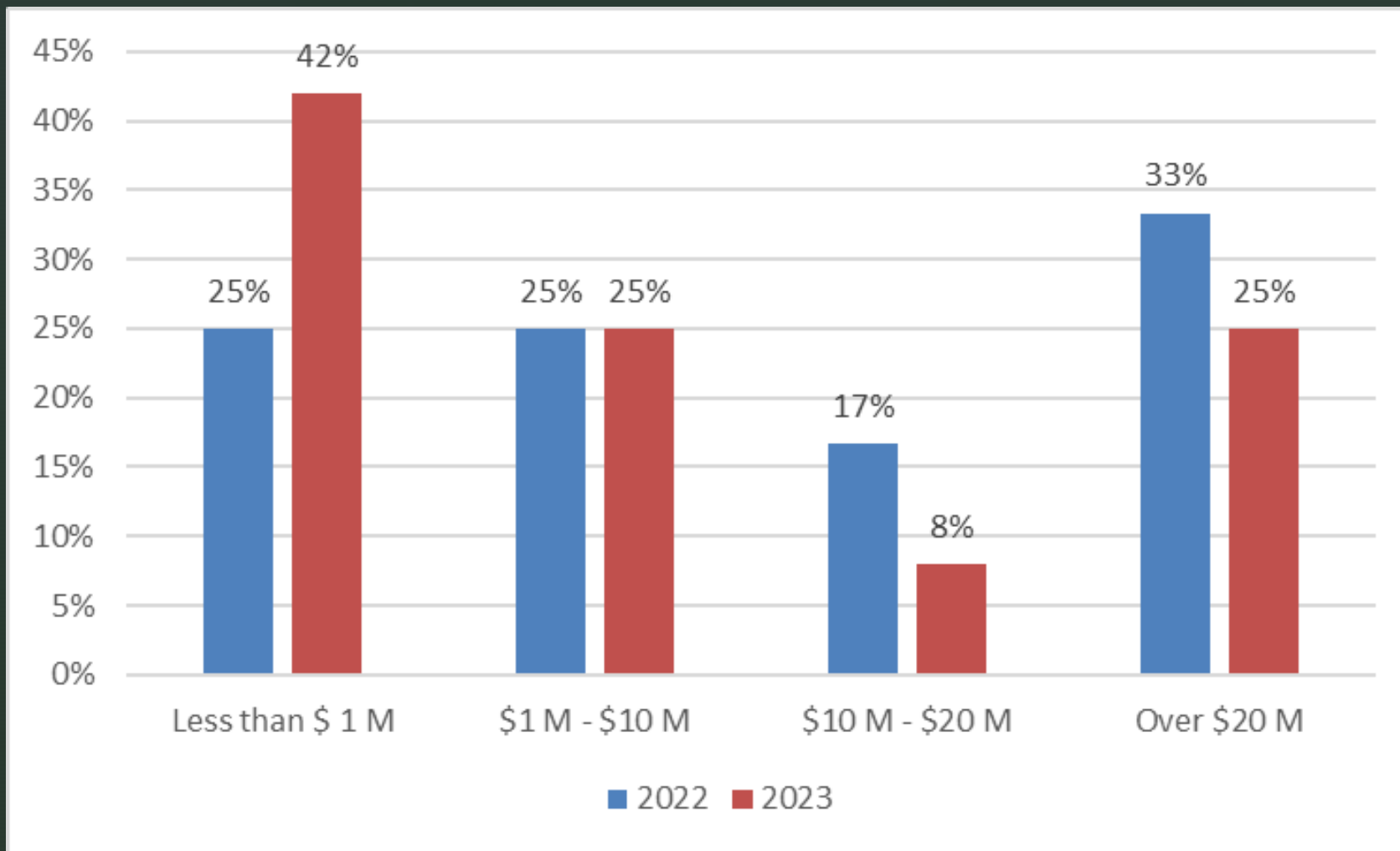
Question 9: What do you consider “Out of Coal” days of maximum burn inventory?



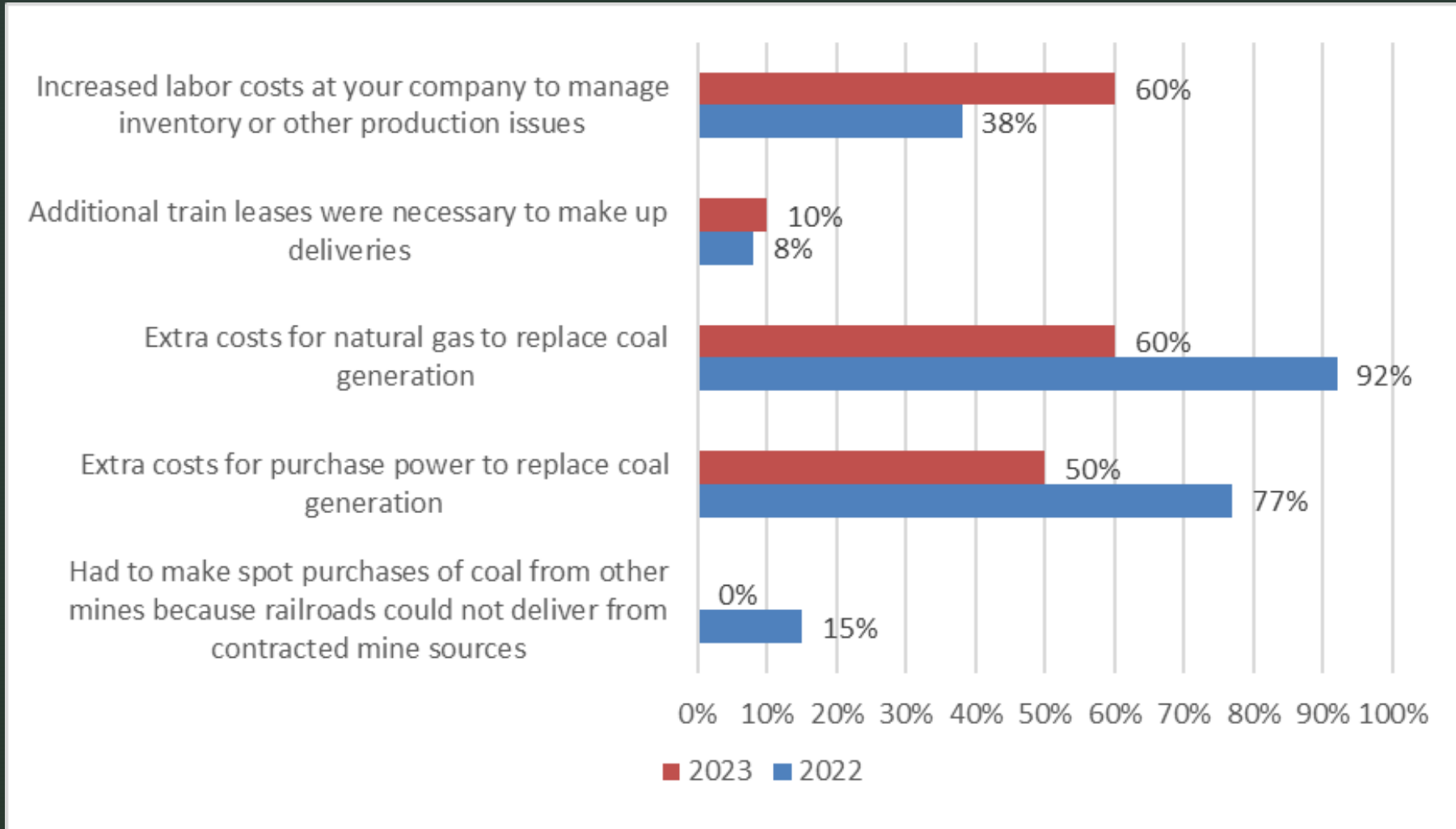
Q10 and 11: Have railroad service issues caused an increase in costs for your company?



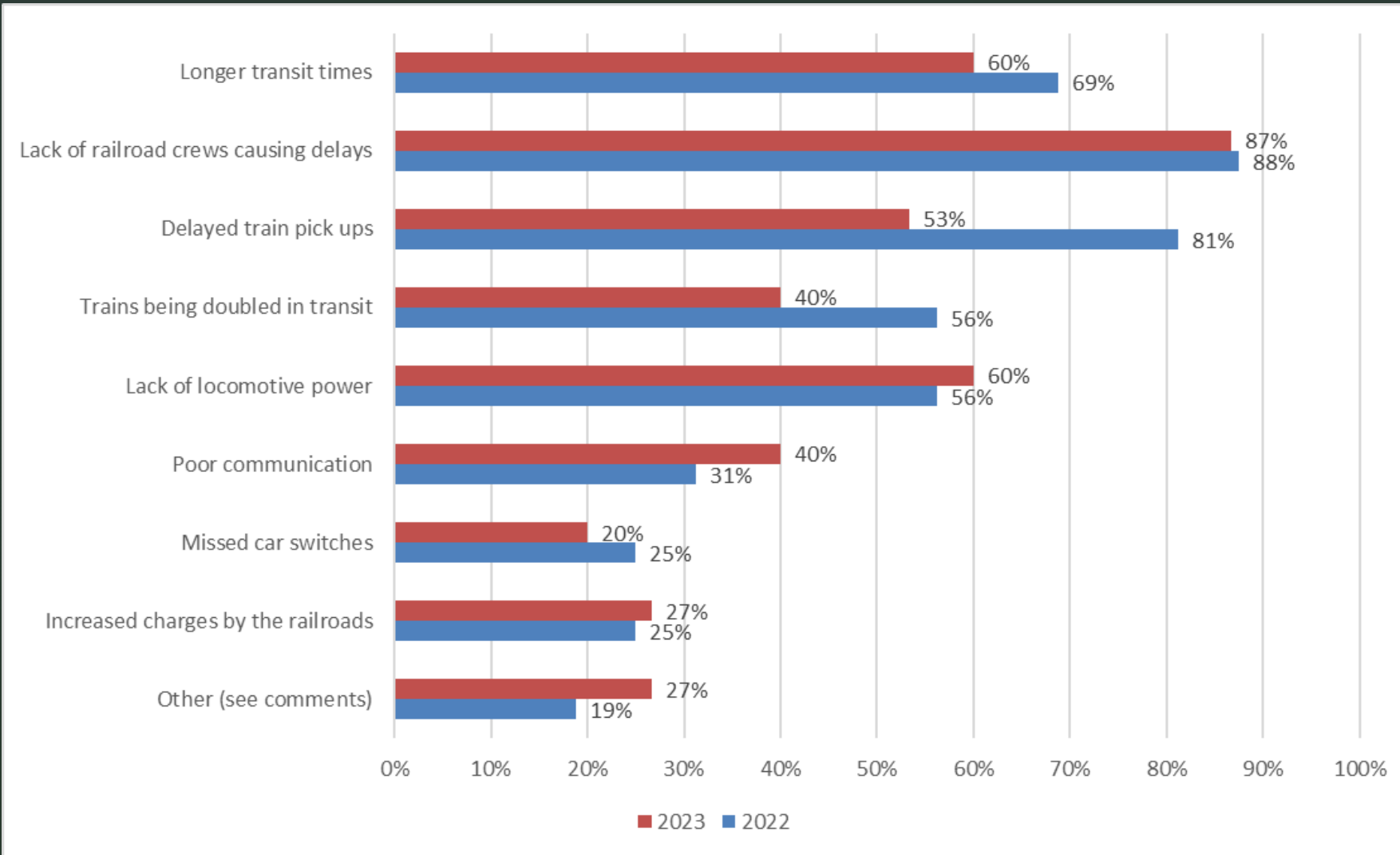
If so, how much? Ballpark Estimate? (2022: 3 declined, 2023: 4 declined)



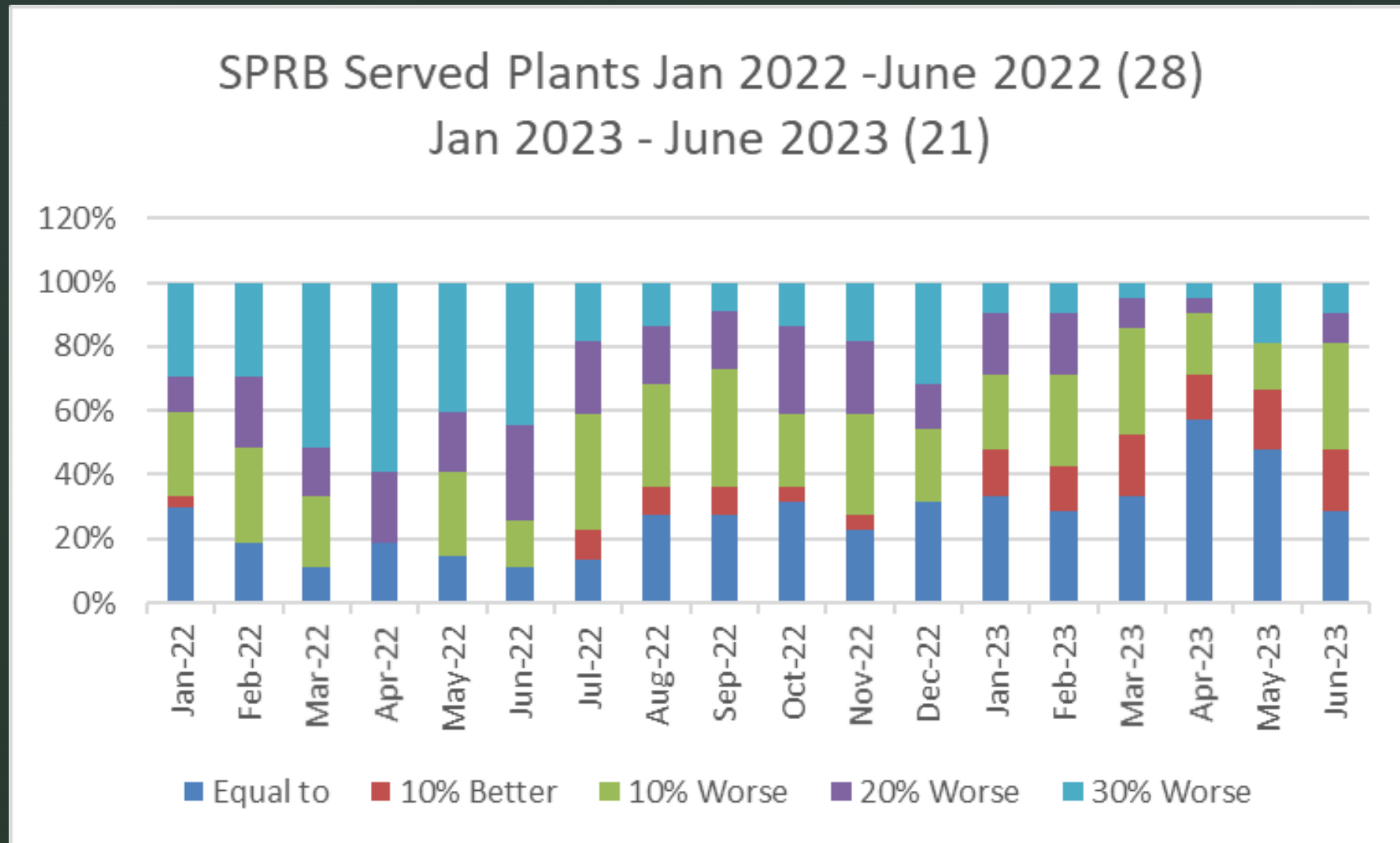
Q 12: Were increased costs incurred due to any of the following? Check all that apply?



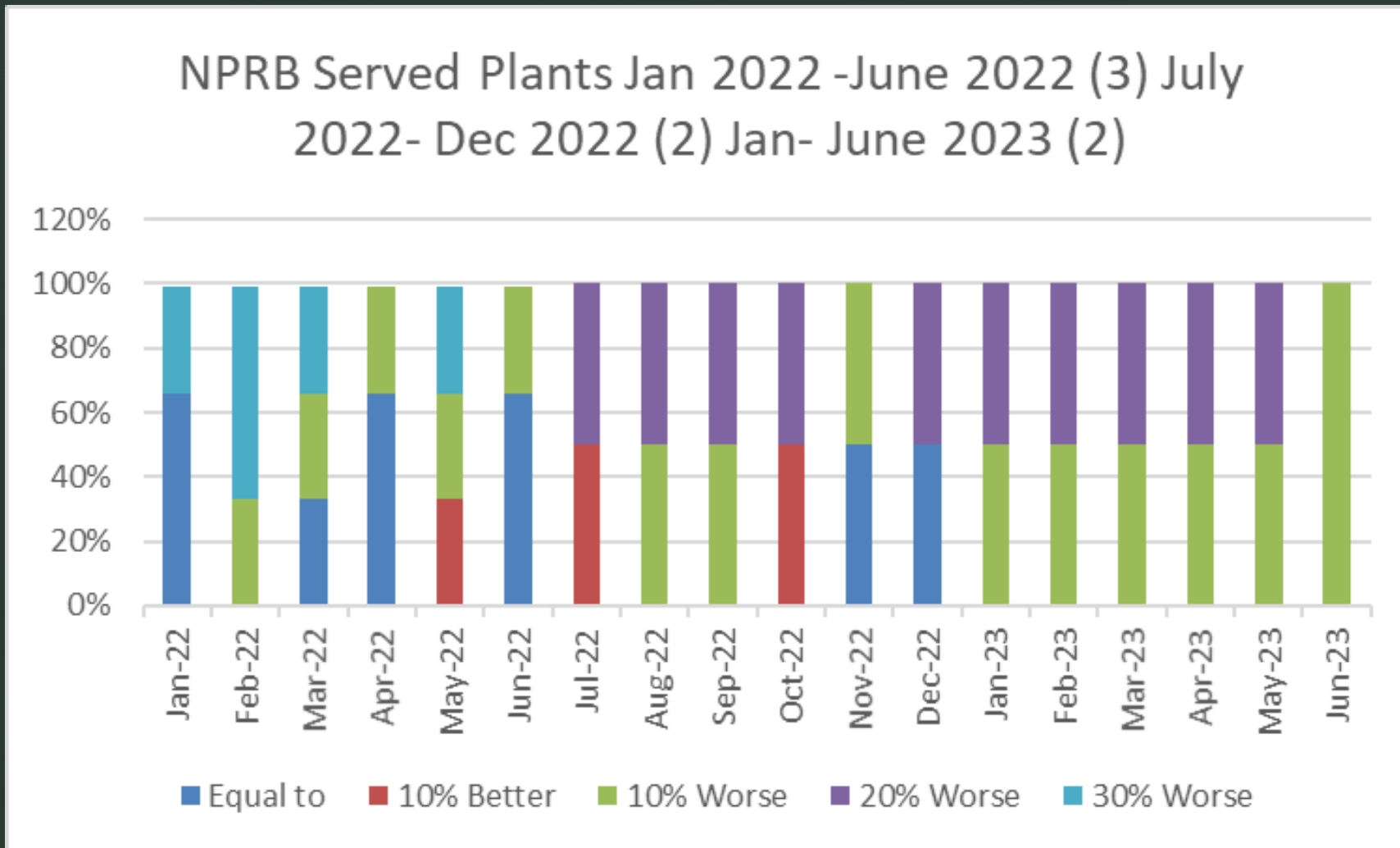
Q 13: What kind of railroad service issues have you experienced? Check all that apply



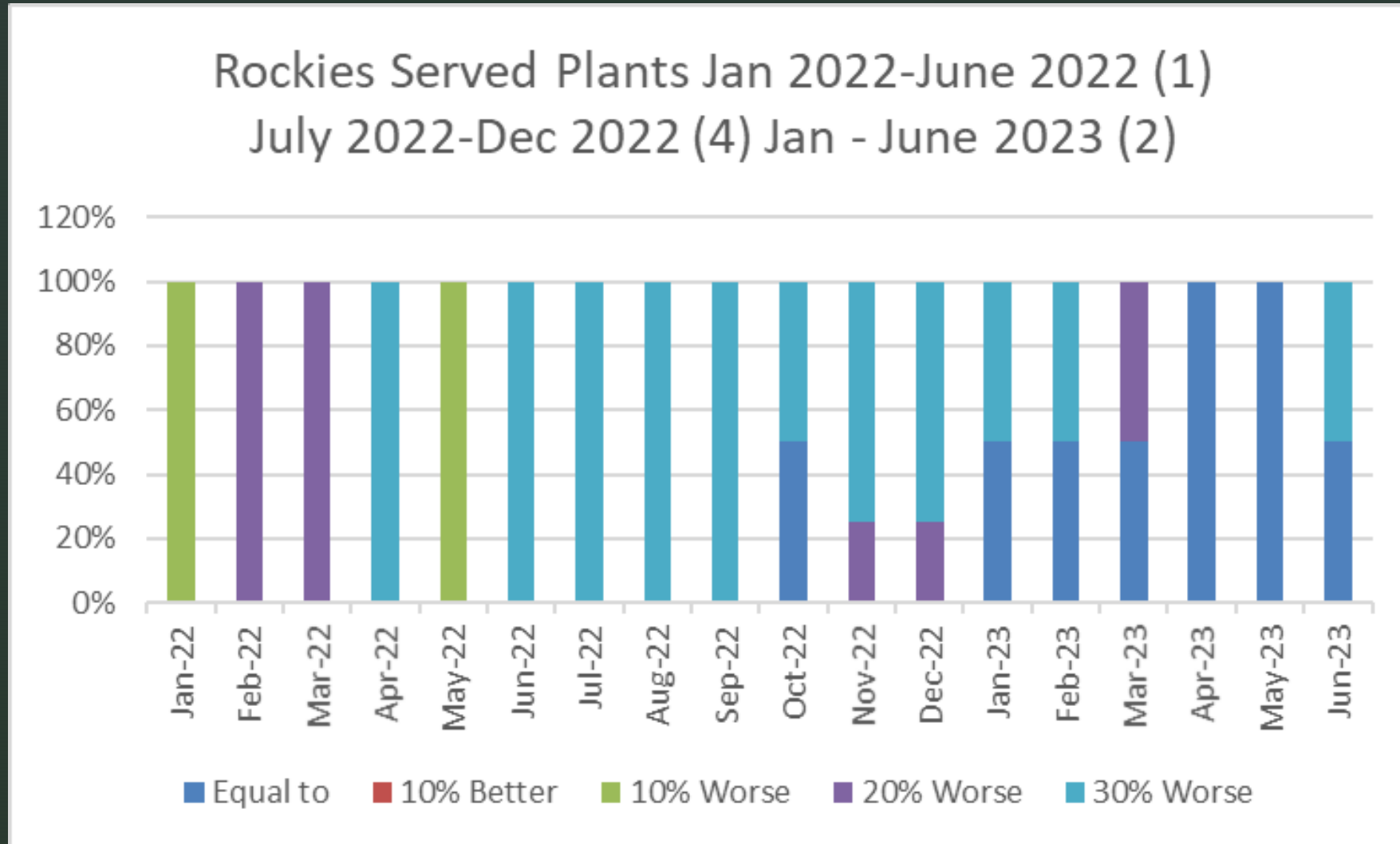
SPRB Served Plants Reported Avg Monthly Service Compared to Plant's Forecast Jan 2022-June 2023



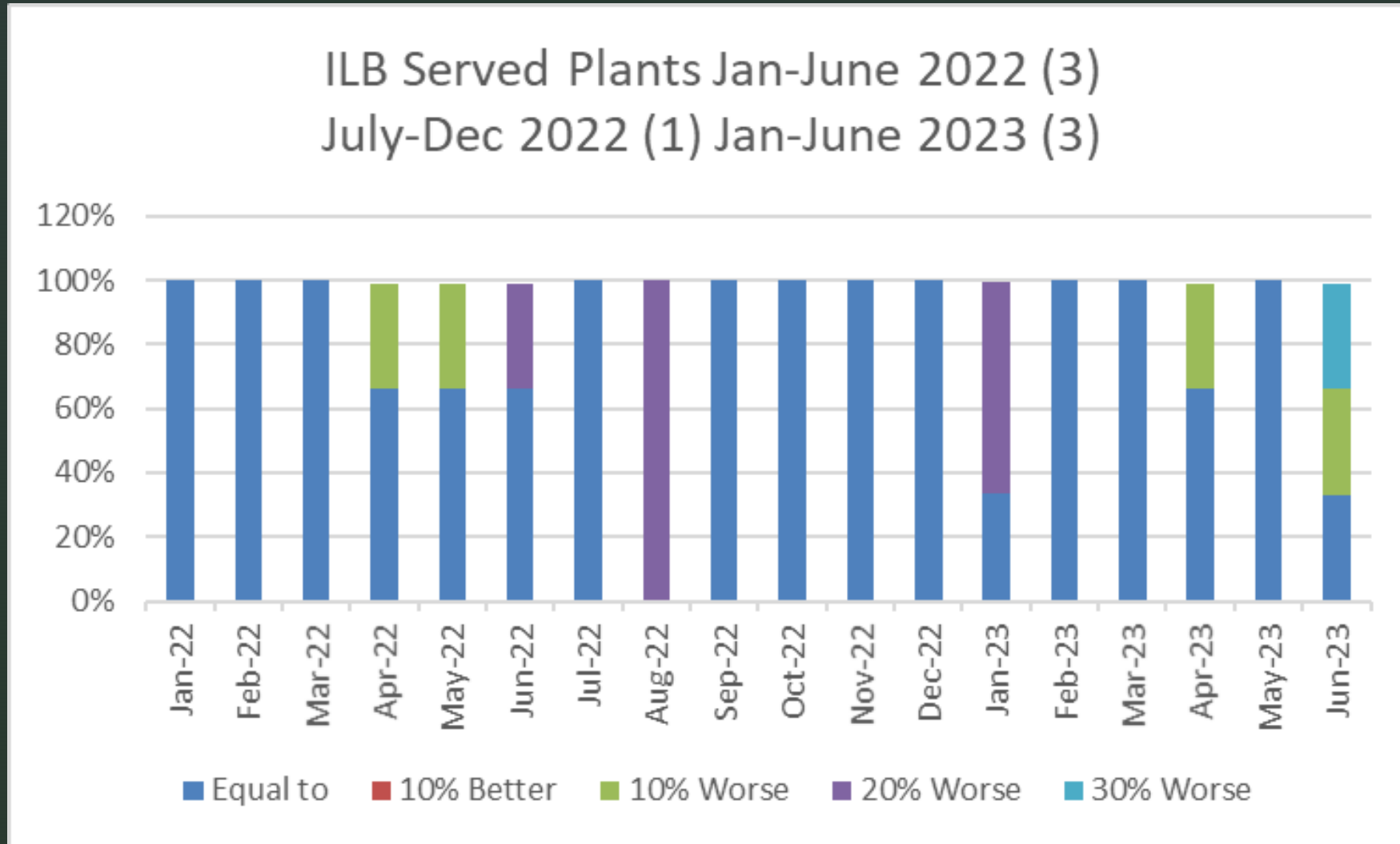
Northern PRB Served Plants Reported Average Monthly Service Compared to Plant's Forecast



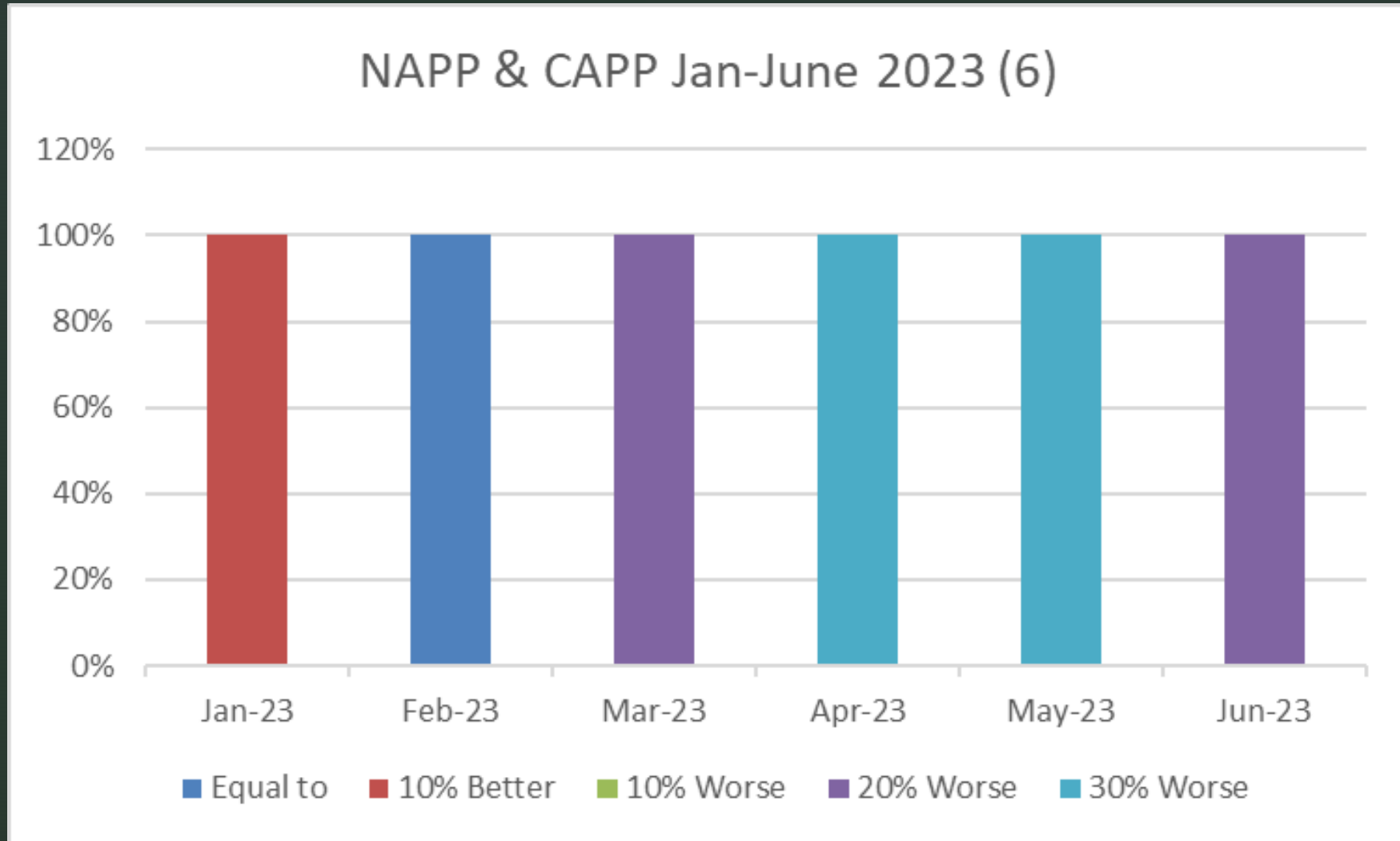
Rockies Served Plants Reported Average Monthly Service Compared to Plant's Forecast



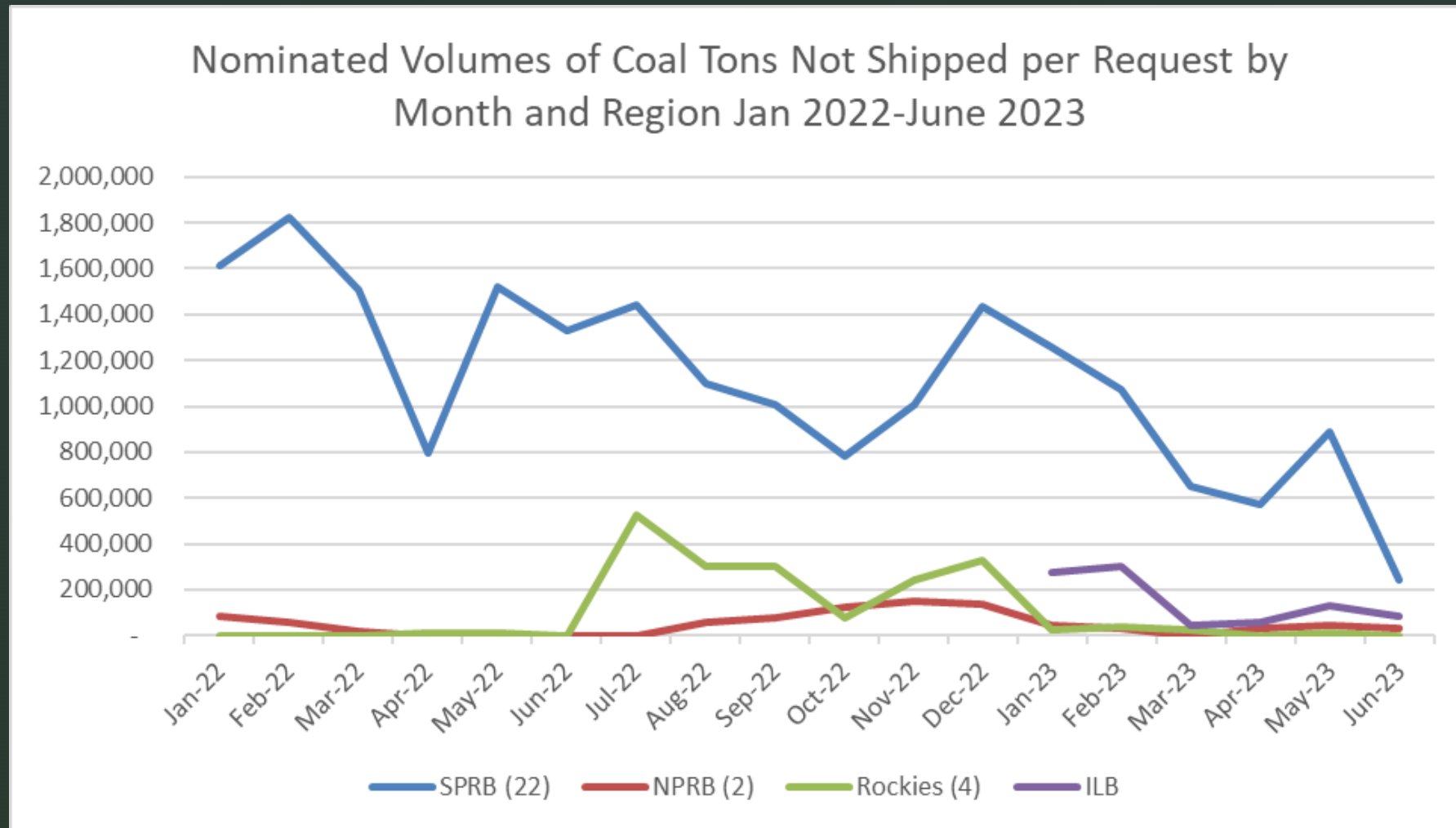
Illinois Basin Region Served Plants Reported Average Monthly Service Compared to Plant's Forecast



NAPP & CAPP Served Plants Reported Avg Monthly Service Compared to Plant's Forecast



Nominated Volumes of Coal Tons Not Shipped per Request by Month & Region Jan 2022-June 2023



Key Takeaways from OTP Survey Results

- Utility forecasting for coal deliveries continues to be challenging for Utilities, Producers and Rail Carriers.
- Utility Stockpiles afford Rail Carriers a generous cushion in regards to on time deliveries of coal supply
- Coal deliveries trending at or above monthly nominations in 2023. Resulting in:
 - Stockpiles improving but mostly due to mild weather and market conditions
 - Utilities continue to be conservative about managing target inventory and coal conservation planning
 - High operational costs for utilities to replace energy still a concern for utilities when rail service is an issue
 - Railroads still working to restore service, but recently reducing labor workforce again with diminishing freight demands

Shipper Quotes: Observations and Concerns

- Compared to 2022 there has been improvement, however not anywhere near historic service levels
- Railroad service has improved in 2023 compared to 2022
- Because of coal supply issues, coal was not available so railroads had an easier time keeping up
- Rail service was terrible in January and February 2023 – just like most of 2022. All of sudden it was good March-June 2023. Our Railroad returned all our sets to service in March and asked us to take sets of other utilities.
- Railroad service is better because either the RR improved or did they lose enough other business that they were able to finally accommodate us?
- Service and communications are improving. Coal burns are down due to market conditions and this has relieved pressure on RRs. Still having some issues with lack of crews, locomotives and slow cycles.

Thank you

Questions?



Freight Rail
Customer Alliance



**National Rural Electric
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