

Utility Update

Rail Energy Transportation Advisory Committee

October 26, 2022

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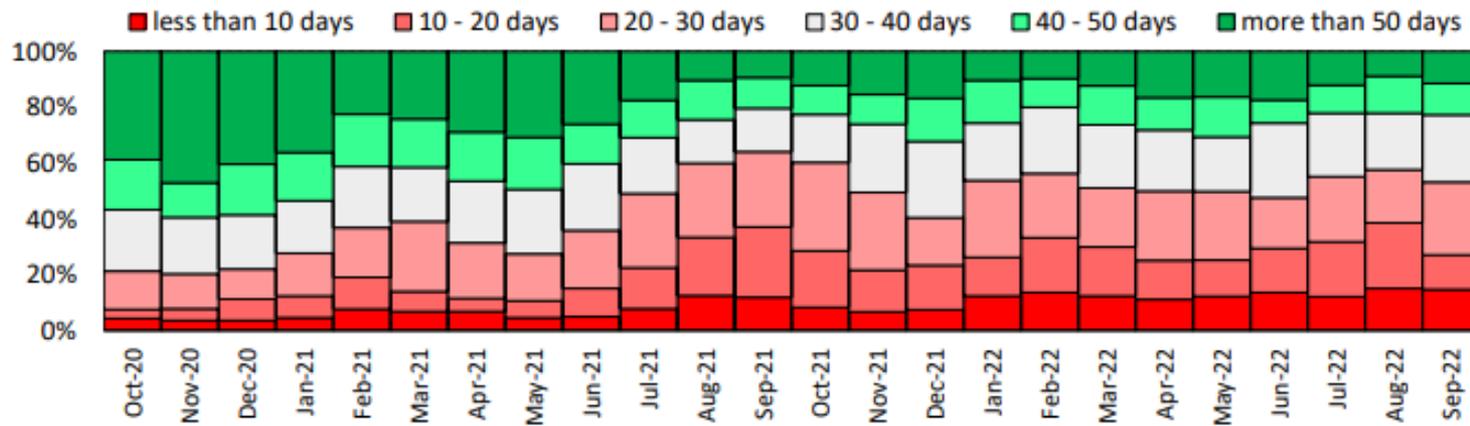
Utility Perspective

- ▶ Inventory Updates / Challenges
- ▶ On Time Performance Survey / Concerns
- ▶ Key Takeaways / Asks

Inventory Challenges

- ▶ The percentage of Utilities with days of inventory of 30 days or less has not improved YTD.

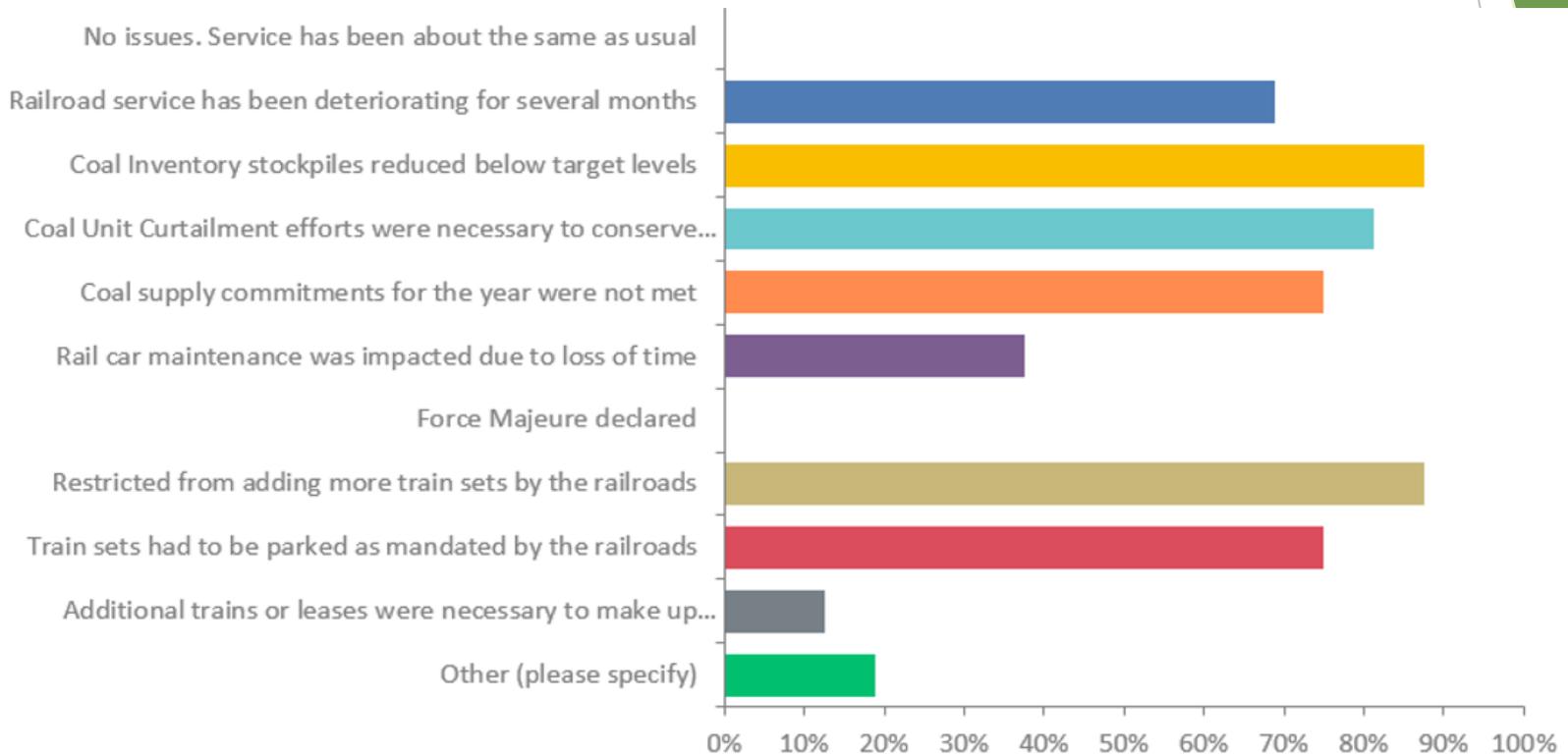
Distribution of plants by days of full-load burn - Total utilities



NCTA/FRCA/NRECA On Time Performance Survey Jan - June 2022

- ▶ NCTA/FRCA/NRECA: OTP Survey Data Collected since Aug 2019 to June 2022 in 6-month periods
- ▶ 45 Plants Reported Shipper Perspective Railroad Performance Data
- ▶ 100% reported their company had to modify operations due to RR service issues (was 64% last survey)
- ▶ 87% reported Rail Service worse than it was in 2021 and/or last 3 years (was 60% last survey)
- ▶ Railroads Serving Plants Reported:
 - ▶ BNSF, UPRR, NS, Multi-RR, and Short line movements
- ▶ Six Coal Supply Regions - Mine Sources Reported:
 - ▶ SPRB, NPRB, Rockies, NAPP, ILB, NAPP, CAPP

In what way have your operations been impacted by railroad service issues? Check all that apply: 45 plants responded



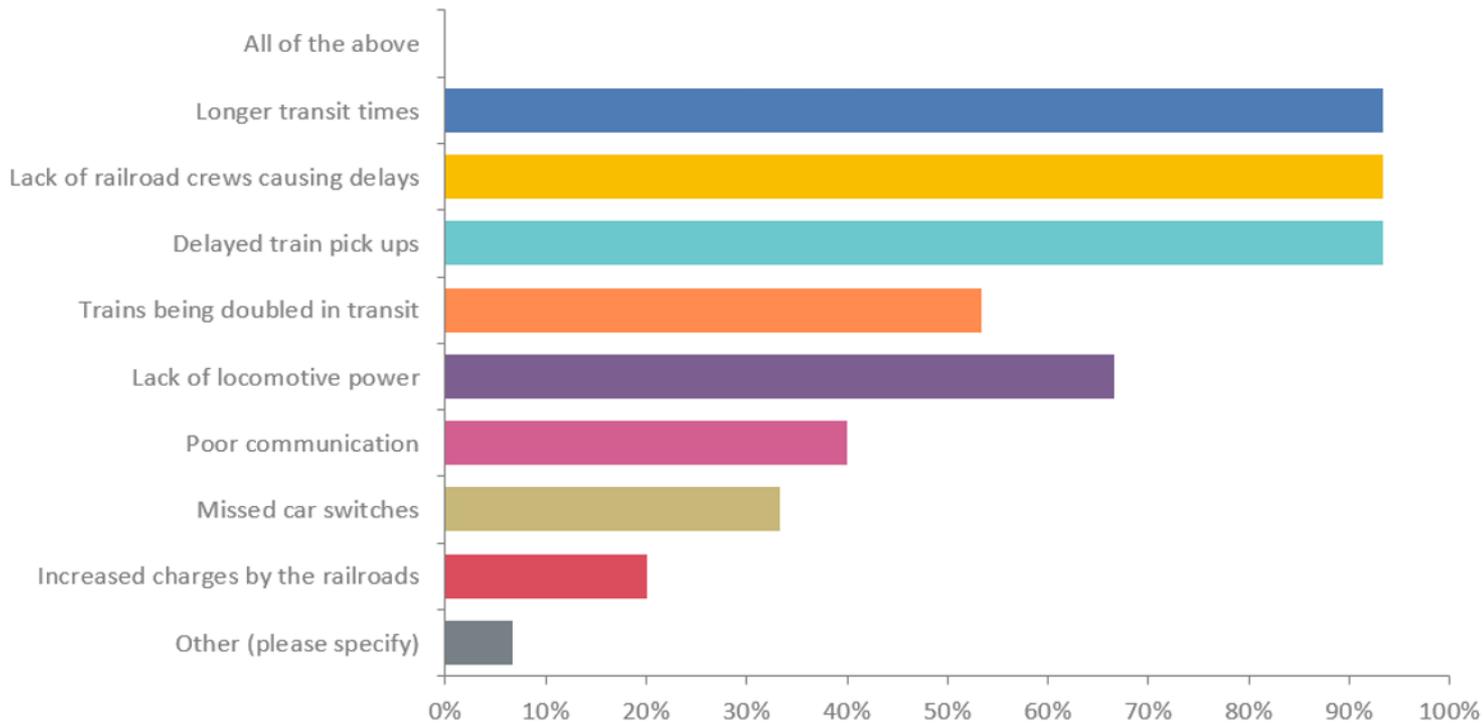
Have railroad services issues caused an increase in costs for your company?

Yes: 87.50% No: 12.50%

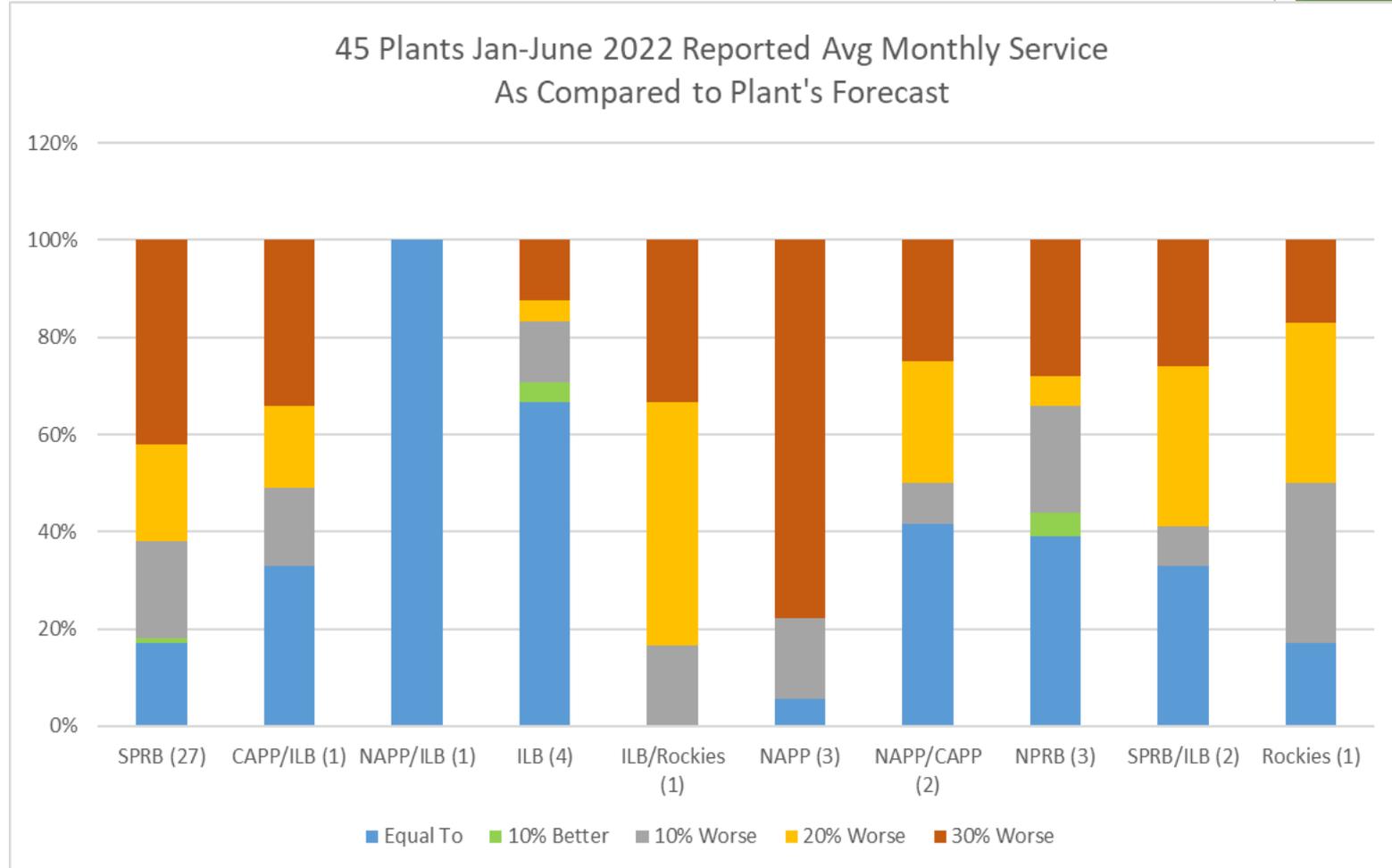
If so, how much? Ballpark Estimate? (3 declined)

ANSWER CHOICES	RESPONSES
Less than \$100,000	0%
\$100,000 - \$ 1 M	23.08%
\$ 1 M - \$ 5 M	15.38%
\$ 5 M - \$ 10 M	7.69%
\$10 M - \$15 M	7.69%
\$15 M - \$20 M	7.69%
Over \$20 M	38.46%

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



How does average monthly service compare with plant forecast? 45 plants responded



Key Takeaways and Asks

- ▶ Utility forecasting for coal deliveries involves great deal of planning
- ▶ Forecasts typically allow for some flexibility in deliveries
- ▶ Utility stockpiles afford some cushion to allow for coal deliveries and burn forecasts/actuals
- ▶ Coal deliveries trending 20-30% below monthly nominations which is concerning
 - ▶ Low stockpiles
 - ▶ Coal conservation and unit curtailment
- ▶ Asks:
 - ▶ Better communication from RRs in meeting shipper forecasts and missed permits
 - ▶ Updates on crew availability

Questions / Discussion