

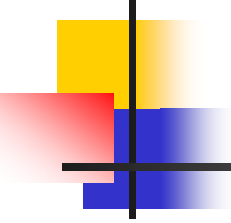


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# SPRB Forecasting Sub-Team Update

**NCTA Logistics and Planning Committee  
February 13, 2007, Ft. Worth, TX**

# SPRB Forecasting Sub-Team Update

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- **Work began in February 2005**
    - Concerns that forecasts did not accurately represent demand due carry-over tons, varying days in month, trainsets, cycle times, etc.
  - **Forecasting Goal:**
    - Provide a mechanism to forecast monthly Southern Powder River Basin coal demand for use in
      - Allocating BNSF/UP Joint Line mine slots,
      - Determining variances in mine forecast and production capabilities, and
      - Planning resources that are reasonably expected to be available to meet that demand

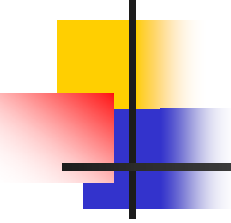
# SPRB Forecasting Sub-Team Update



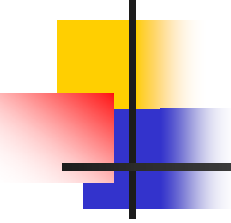
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- **Work was deferred during transportation constraints beginning in May 2005**
  - Resumed in early 2006
- **Draft process was distributed to the NCTA Membership in November 2006**
  - Comments received from railroads, producers and shippers
- **Comments were distributed to L&P Committee and Forecasting Process Sub-team in January-February 2007**

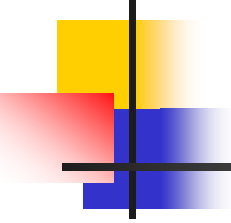
# SPRB Forecasting Sub-Team Update

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- **Learning Process – Greater appreciation of**
    - **Complex issues in each industry**
      - Matching limited capacity to increasing demand
      - Decreased reserve capacity, swing capability
    - **Rapid change occurring in respective industries**
    - **Complex relationship with contracts**
    - **Sincere effort from all groups to make-it-work**
  - **Steps to closure**
    - **Deadline for comments and “completion”**
    - **Recognize the process is dynamic**
      - **Must be responsive to--and supportive of--changes in the respective industries**

# Process Summary

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- **Prior Month**
    - **Shipper-Railroad discussions**
    - **Shipper-Producer discussions**
    - **Shipper-Producer-Broker discussions, OTC UID's, etc.**
  - **Forecast Month**
    - **1<sup>st</sup> Working Day: Shipper inputs by plant, railroad**
    - **2<sup>nd</sup> Working Day: Producer inputs by plant, railroad**
    - **3<sup>rd</sup> Working Day:**
      - **Shipper-producer reconciliation completed**
      - **Railroads close Forecast webpages at 5:00 p.m. CT**

# Comment Summary

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- **Clarification and Readability**
    - **“Agreement” v. “Contract”**
    - **“Party” vs. “Participant”**
    - **Using CAP’s for emphasis or easy spotting of who does what**
  - **Entering brokered coal UID’s in comment section**
  - **Entering producer contract allocations in comment section**
    - **Some comments opposed on basis of revealing sensitive contract info, or duplicating other shipper-producer communications**
  - **Raise trigger for reforecast above 5% (below 95%)**
  - **Distinguish between tons requiring shipper-supplied vs. rail-road-supplied railcars, or regular vs. make-up tons, etc.**
  - **What are railroads’ positions on “scrubbing” forecasts they consider unmake-able?**

# SPRB Forecasting Sub-Team



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## ■ SPRB Shippers

- Arthur Butcher, CPS
- Ken Peace, NRG
- Tom Collins, Southern Co.
- Tom Zolnerowich, TXU

Dave Wilder, AEP  
Glen Hof, Ameren  
Ron Hankins, MidAmerican  
Dan Gray, Entergy (Sub-  
team Leader)

## ■ SPRB Producers

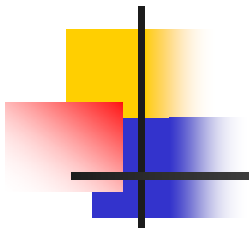
- Dan Ochoa, Bill Wallace, Rio Tinto
- Kathy Brown, Arch
- Mark Adkins, Xcel

## ■ SPRB Railroads

- Steve Behn, BNSF

Andy Schroder,  
Franklin Sams UP

# Addendum - Comment 2/12/07 Summary

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- **Process should start between Shippers & Producers based on mines having x slots per month.**
  - **Then Shippers & RR's discuss equipment availability**
    - **If equipment is not available, reallocate those tons to other shippers based on contract tonnage**
    - **Railroads need to determine correct equipment availability**
  - **Forward 2-month forecasts duplicate other inputs to RR's**
  - **Reconciliation process should include allocating extra slots to shippers for make-up of prior shortfalls**
    - **Tons that shippers don't have equipment for to be allocated to a "make-up" pool based on tons missed and contracted**
  - **OTC needs to have its own section**