Exhibit No.:	
Issues:	Coal and Transportation Costs
Witness:	Robert K. Neff
Sponsoring Party:	Union Electric Co.
Type of Exhibit:	Direct Testimony
Case No.:	ER-2007-0002
Date Testimony Prepared:	July 6, 2006

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. ER-2007-0002

DIRECT TESTIMONY

OF

ROBERT K. NEFF

ON

BEHALF OF

UNION ELECTRIC COMPANY
d/b/a AmerenUE

**** DENOTES HIGHLY CONFIDENTIAL INFORMATION****

St. Louis, Missouri
July, 2006

Public

TABLE OF CONTENTS

DIRECT TESTIMONY

OF

ROBERT K. NEFF

CASE NO. ER-2007-0002

I. INTRODUCTION

Q. Please state your name and business address.

A. Robert K. Neff, Ameren Energy Fuels and Services Company (AFS), One Ameren Plaza, 1901 Chouteau Avenue, St. Louis, Missouri, 63103.

Q. What is your position with AFS?

A. I am the Vice President of Coal Supply.

Q. What are the duties of your position?

A. My primary responsibilities are to obtain adequate coal supplies and related transportation for eleven coal-fired power plants operated by Ameren Corporation (Ameren) operating subsidiaries, including Union Electric Company d/b/a AmerenUE (AmerenUE or Company). My department also procures fuel oil, manages the Ameren operating subsidiaries' sulfur dioxide (SO_2) emissions allowance banks, oversees fuel-related transportation projects and handles ash recycling.

Q. Please describe your educational background, work experience and duties of your position.

A. I received a Bachelors Degree in Mechanical Engineering from Washington University in St. Louis and a Masters in Business Administration from Southern Illinois University. I am a registered Professional Engineer in the State of Missouri and I am a Certified Energy Manager. Prior to joining Ameren, I worked at the

Missouri Pacific Railroad in various engineering and operating positions. I also worked as a Product Engineer at the railcar manufacturing firm of American Car and Foundry. My work experience at Ameren includes 17 years in positions relating to coal procurement and coal transportation, and 6 years in natural gas procurement and retail electric marketing.

II. PURPOSE AND SUMMARY OF TESTIMONY

Q. What are the key conclusions discussed in your testimony?

A. The key conclusions in my testimony are:

1. AmerenUE's 2007 average cost of a delivered ton of coal will increase to **[redacted]** per ton from the **[redacted]** per ton reflected in AmerenUE's books for the period corresponding to the updated test year in AmerenUE's prior rate case proceeding in 2001, Case No. EC-2002-1 ("prior 2001 test year"). This is a 42% increase in delivered per ton coal cost, and at an expected 22.5 million ton total annual coal burn in 2007, equates to a coal cost increase of $162 million for 2007.
2. 96% of the coal burned by AmerenUE originated in the Wyoming Powder River Basin (PRB) during the current 2006 test year. PRB coal markets, similar to markets in other coal regions, have seen a substantial increase in coal pricing and transportation since the prior 2001 test year. At the expected 2007 PRB burn level of 21.9 million tons, AmerenUE's 2007 PRB coal and rail freight costs will account for $136 million of the $162 million total coal cost increase for 2007.

3. AmerenUE's 2007 delivered PRB coal costs will increase by ** [redacted] ** million over the current 2006 test year based on a 21.9 million ton 2007 PRB burn level. While AmerenUE's coal and transportation costs have increased in 2006, and will significantly increase again in 2007, AmerenUE's costs are still well below current market prices because of AFS' coal hedging program which has hedged ** [redacted] ** of the coal and transportation needed to meet the 2007 burn via executed contracts with prices effective January 1, 2007.

4. AmerenUE's coal costs are expected to continue to increase toward market levels in subsequent years as existing contracts expire and new agreements are signed.

Q. Could you please provide a summary that explains the basis of your key conclusions?

A. AmerenUE will generate 79% of its electricity from coal-fired power plants in the test year AmerenUE is recommending for this case, consisting of the twelve months ending June 30, 2006 (current 2006 test year or test year). Ninety-six percent of the coal used in these plants originates in the Powder River Basin. The delivered cost of coal is the largest single expense at a coal-fired power plant. Like all energy commodities, the price of coal has increased significantly since the prior 2001 test year. AmerenUE's average PRB coal price in the prior 2001 test year was ** [redacted] ** per ton. The spot price of a ton of PRB 8800 Btu/lb coal on January 1, 2001 was $4.75 per ton. On January 1, 2006, the price of that same coal was $19.00 per ton. By June 1, 2006, the market had softened somewhat and spot prices had dropped to $13.55 per ton. However,

because of AmerenUE's highly effective coal hedging program, in which coal prices and quantities are locked in well in advance of the actual need for the coal, AmerenUE's average PRB coal price during the current 2006 test year was only ** ** per ton. While AmerenUE's PRB coal cost was well below the actual market price, the cost of current 2006 test year coal still increased by ** ** per ton, or 71% over the prior 2001 test year PRB coal cost. The PRB coal cost increases in the current 2006 test year represent a $73 million increase over the PRB coal prices submitted in the prior 2001 test year based on the 22.3 million tons of PRB coal burn in the current 2006 test year. As older coal contracts expire and new contracts are entered into, the price that AmerenUE pays for coal, while still below market, continues to rise. Because AmerenUE purchases coal significantly in advance of its need, ** ** of the 2007 PRB coal burn has already been purchased at fixed prices, or price-hedged, as of June 6, 2006. It is certain that this price-hedged PRB coal in calendar year 2007 will increase to ** ** per ton, an 87% increase over the prior 2001 test year and a ** ** increase over the current 2006 test year. At 21.9 million tons of 2007 PRB burn, 2007 PRB coal costs are known to be $88 million greater than the prior 2001 test year level

Similarly, coal transportation costs are also increasing significantly with the expiration of long-term PRB rail contracts. The average PRB transportation freight rate for the prior 2001 test year was ** ** per ton. New transportation contracts for all of the AmerenUE plants have been signed. These new transportation contracts provide for significant increases in freight rates effective January 1, 2007. The average AmerenUE 2007 PRB freight rates will increase 20% over the prior 2001 test year to ** ** per ton. As with coal, this transportation increase will apply to 21.9 million

tons of expected 2007 PRB coal burn, raising PRB transportation freight rates in 2007 by $48 million more than the prior 2001 test year level.

Together, 2007 PRB coal and PRB coal freight costs will account for cost increases of $136 million over the prior 2001 test year average price level at an expected 21.9 million ton 2007 PRB burn. 2007 PRB coal and PRB coal freight costs together will increase ** ** million above the current 2006 test year average price based on a 21.9 million ton 2007 PRB burn level. After 2007, these costs are expected to continue to rise toward market levels.

Table 1 below summarizes AmerenUE's PRB coal costs since its last rate proceeding, based upon test year data, and using the contracted-for coal and freight rates which are locked in effective January 1, 2007.

Table 1: Summary of PRB Coal and Freight Costs

	2001 Prior Test Year	**2006 Current Test Year**	**2007**
PRB Coal Cost	** **/ton	** **/ton	** **/ton
PRB Coal Freight Rate Cost	** **/ton	** **/ton	** **/ton
Total	**** **/ton**	**** **/ton**	**** **
Percentage increase over 2001	--	** **	** **
Total equivalent annual costs (PRB coal and frt only) at 21.9 million tons 2007 annual burn	** ** million	** ** million	** ** million

Note: The 2007 costs are based upon the PRB coal and transportation contracts mentioned above which fix the prices for ** ** of expected 2007 burn. The variable components of those contracts are based on current expectations but will be updated for costs (SO2 content, heat rate, Diesel fuel riders) actually experienced during the test year as updated through January 1, 2007.

In addition to PRB coal, the cost of Illinois coal has also increased significantly since the prior 2001 test year. Although AmerenUE burns a small amount of Illinois coal relative to the amount of PRB coal it burns, the increased cost of Illinois coal adds to AmerenUE's total increase in coal costs. AmerenUE burned 1,152,000 tons of Illinois coal in the prior 2001 test year, 905,000 tons of Illinois coal in the current 2006 test year, and is projected to burn 628,000 tons of Illinois coal in 2007. The average delivered cost of Illinois coal in the prior 2001 test year was **[redacted]**. The cost of Illinois coal in 2007, which is **[redacted]** hedged, is **[redacted]**/ton, a 22% increase. At the 628,000 ton burn level, in 2007 Illinois coal will cost $4.0 million more than the equivalent tonnage at the prior 2001 test year price.

Table 2 below summarizes AmerenUE's total delivered coal costs, including coal, transportation, railcars and other charges, since its last rate proceeding, based upon test year data, and using the contracted-for coal and freight rate prices which are locked in effective January 1, 2007.

Table 2: Summary of Total Coal and Transportation Costs

	2001 Prior Test Yr	2006 Current Test Year	2007
Total Coal Cost	**[redacted]**/ton	**[redacted]**/ton	**[redacted]**/ton
Total Coal Transportation Cost	**[redacted]**/ton	**[redacted]**/ton	**[redacted]**/ton
Total	**[redacted]**/ton**	**[redacted]**/ton**	**[redacted]**/ton**
Percentage increase over 2001	--	**[redacted]**	**[redacted]**
Total equivalent annual costs (coal and trans only) at 22.5 million tons 2007 annual burn	**[redacted]** million	**[redacted]** million	**[redacted]** million

Note: The 2007 costs are based upon the PRB coal and transportation contracts mentioned above which fix the prices for **[redacted]** of expected 2007 burn. The variable components of those contracts are based on current expectations but will be updated for costs (SO2 content, heat rate, Diesel fuel riders) actually experienced during the test year as updated through January 1, 2007.

A summary of my testimony also appears on Attachment A.

Q. Please explain how the remainder of your testimony will be organized.

A. I will provide background on the type and amount of coal used at AmerenUE's plants, and on how coal is purchased, including a description of the coal cost pooling utilized to ensure that coal costs are as low as possible while taking advantage of the buying power represented by the combined Ameren companies. I will also address investments made in AmerenUE's transportation infrastructure and will describe new transportation contracts in effect for each of AmerenUE's coal-fired plants. Next I will address AmerenUE's rail car fleet. Finally, I will discuss in greater detail the known and measurable fuel and transportation price increases that will occur effective January 1, 2007 when the new coal and transportation contracts already signed by AmerenUE that I referred to earlier take effect.

III. BACKGROUND OF AMOUNT AND TYPE OF COAL USED IN EACH PLANT

Q. What has been the history of coal use at AmerenUE's coal-fired plants?

A. AmerenUE's coal use both in terms of type and amount has changed since the plants were constructed. Originally, these plants burned high sulfur coal from mines in Illinois. Subsequent to the enactment of the Clean Air Act of 1990, AmerenUE's coal plants were modified to burn sub-Bituminous (low sulfur) coals from the PRB. Since that time, PRB coal has consistently had a lower total cost than Illinois coal, taking into consideration both the delivered cost per Btu and the related cost of sulfur emissions. For the current 2006 test year, AmerenUE burned 23.2 million tons of coal. Approximately 96%, or 22.2 million tons of AmerenUE's coal burn was supplied from the PRB. The remaining 4%, or 906,000 tons, came from mines in the Illinois Basin for use in blending with PRB coal at the Sioux and Rush Island Plants. As market conditions permit, petroleum coke, or petcoke (a refinery byproduct), can be substituted for Illinois Basin coal at the Sioux Plant up to the annual burn permit of 250,000 tons. Due to economics, no petcoke was burned in the test year. In addition, a small amount of Tire Derived Fuel (TDF), approximately 10,000 tons, was burned at AmerenUE's Sioux Plant in the current 2006 test year.

Q. When did the AmerenUE units convert to primarily using Powder River Basin coal?

A. AmerenUE converted these units as follows: Labadie 1993, Meramec 2001, Rush Island 1991, and Sioux 1994.

Q. How much coal does each plant consume on an annual basis?

A. The following table shows the tons burned by each plant in the test year:

Plant	8800 Btu PRB	8400 Btu PRB	Illinois	Petcoke/TDF
Labadie	8,793,000	1,783,000		
Meramec	3,463,000	392,000		
Sioux	2,535,000	30,000	858,000	10,000
Rush Island	47,000	5,196,000	48,000	
Total	14,838,000	7,401,000	906,000	10,000

Grand Total All Plants: 23,154,000 tons

Q. What determines the ability of a plant to burn 8400 Btu versus 8800 Btu coal?

A. That ability is determined by the design of the boiler, and whether it can produce the steam necessary for full output using the lower Btu content 8400 PRB coal. The Rush Island Plant is able to achieve its full capacity burning 100% 8400 Btu coal, while the Sioux Plant requires blending an Illinois coal or higher Btu coal along with the 8800 Btu PRB coal in order to produce the full capacity of the units. During the test year, the blend at Sioux plant was 75% 8800 PRB and 25% Illinois coal. Labadie burned 17% 8400 Btu and 83% 8800 Btu coal in the test year, while Meramec burned 90% 8800 Btu coal and 10% 8400 Btu coal.

IV. BACKGROUND OF COAL PURCHASING AND COST POOLING

Q. How are AmerenUE's coal needs determined?

A. The Operations Analysis Group in the Corporate Planning Department of Ameren Services Company (Ameren Services) uses a computer program called

PROSYM to simulate the operation of AmerenUE's power plants in the context of the overall power market. The simulations produced by the PROSYM model are discussed in detail in the direct testimony of AmerenUE witness Timothy D. Finnell. The model results reflect burn rates based on a variety of inputs such as:

Forecast Power Price Curves

Incremental Cost of Production Forecasts

Forecast Emission Allowance Market Curves

Unit Specific Heat Rates

Unit Outage Schedules

Predicted Forced Outage Rates

This model is run periodically (monthly to quarterly) to predict the input Btu needs at each generating station. The Coal Supply Department of AFS uses a spreadsheet tool called the Fuel Pattern to convert the Burn Forecast from Btus to tons of coal based on the expected quality of coal expected to be burned at each plant. The delivered cost of coal is then calculated on a $/MMBtu basis by plant and furnished to the Operations Analysis group. The Fuel Pattern is also used to schedule coal deliveries, predict inventory changes, and identify purchase needs.

Q. Is Powder River Basin coal purchased differently than Illinois Basin coal for AmerenUE?

A. Yes. The Illinois Basin coal needs for AmerenUE are filled with direct purchases by AmerenUE from Illinois Basin suppliers or marketers. For PRB coals, the overall needs of Ameren's operating subsidiaries are determined and the coal is purchased as part of a pool of PRB contracts. Ameren generating companies which

receive PRB pool coal include AmerenUE, Ameren Energy Generating Company (AEG), and Ameren Energy Resources Generating Company. AEG sells a portion of its coal received through the pool to Electric Energy, Inc.

Q. How does the PRB Pool work?

A. The pool is made up of two distinct sub-pools that represent the two different types of PRB coals: 8800 Btu PRB coals for the "8800 Pool" and 8400 Btu PRB coals for the "8400 Pool." The need for coal from each pool is initially estimated for the upcoming 5-year period via the budgeting process, which incorporates the Btu forecast from the Operations Analysis group. That process provides a burn forecast for each year of the budget period. During the budgeting process, AFS forecasts the need for coal purchases based on market conditions, planned system improvements and existing contracts. Once the annual needs for each pool are determined, AFS purchases 8800 and 8400 coals periodically throughout the year for each pool in the aggregate, not on a plant or operating company specific basis.

Q. **[redacted]

A. **[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]**

Q. **[redacted]**

A. **[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]**

Q. **[redacted]**

A. **[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]**

Q. **[redacted]**

[redacted]**

A. **[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]**

Q. **[redacted]

[redacted]**

A. **[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]**

Q. How many coal producers can participate in the PRB pool?

A. Any of the coal companies that produce PRB coal can have their coal purchased for pool use. The following companies produce PRB coal at the mines listed:

Arch Coal: Black Thunder Complex, Coal Creek Mine

Foundation: Belle Ayr Mine, Eagle Butte Mine

Kiewit: Buckskin Mine

Rio Tinto Energy (formerly Kennecott): Antelope Mine, Jacobs Ranch Mine, and Cordero Rojo complex

Peabody Coal: North Antelope Complex, Caballo Mine, and Rawhide Mine

Q. **[redacted]**

A. **[redacted]

[redacted]**

Q. Provide an example of some of the hedging instruments that are used.

A. The vast majority of the pool's natural short position is hedged using forward coal contracts. Most of the tonnage is purchased directly from suppliers at fixed prices. A small portion of the coal portfolio is purchased through index-based coal contracts. Such contracts protect the pool participants against volumetric risk but allow the price to be locked-in at a later date using financial instruments. Typically, fixed-for-floating swaps are used to lock in the price.

Q. What were the average costs for each pool in the current 2006 test year?

A. For the 8800 Pool, the test year average cost was **[redacted]** per ton (**[redacted]** per million Btu) at an average quality of 8,814 Btu/lb. and 0.725 lb. SO_2 per million Btu. For the 8400 Pool, the average cost was **[redacted]** per ton (**[redacted]** per million Btu) at an average quality of 8,447 Btu/lb., and 0.753 lb. SO_2 per million Btu. For the test year, the average PRB cost was **[redacted]** per ton.

Q. Is coal expected to be more or less costly in the future than in the current 2006 test year?

A. It is expected that coal costs will increase steadily over the next five years, as reflected in the significantly higher prices contained in the new 2007 contracts discussed earlier in my testimony.

Q. What is the current market price for 2007 and 2008 PRB coal?

A. As of June 1, 2006, for calendar year 2007 delivery, 8,800 Btu/lb., 0.80 lb. SO_2/MMBtu coal was trading on the Over The Counter (OTC or spot) market at approximately $13.55 per ton, and 8,400 Btu/lb., 0.80 lb. SO_2/MMBtu coal was trading at approximately $10.30 per ton.

For 2008, 8,800 Btu/lb., 0.80 lb. SO_2/MMBtu coal was trading on the OTC market at approximately $13.60 per ton, and 8,400 Btu/lb., 0.80 lb. SO_2/MMBtu coal was trading at approximately $10.35 per ton.

Q. How much PRB pool coal has been purchased for 2007?

A. As of June 6, 2006, approximately ** [redacted] ** million tons have been purchased using the contracts with suppliers mentioned above. The total 2007 PRB burn for all Ameren affiliates that participate in the pool is currently estimated to be approximately 41.3 million tons; therefore ** [redacted] ** of the burn is volume hedged.

Q. What is the average cost of the PRB coal purchased for 2007?

A. For the tons under contract with fixed prices in 2007, the average cost is ** [redacted] ** per ton, which is 87% higher than the 2001 prior test year and ** [redacted] ** higher than the current 2006 test year.

Q. What is the coal inventory policy for AmerenUE plants?

A. In 2001, a coal inventory target of 55 maximum burn days was established for plants that had the physical space to achieve that level of inventory.

Q. What is a maximum burn day and why was that measurement used instead of average burn day?

A. A maximum burn day is the amount of coal that a plant can burn when operated at full load consistently. An average burn day is the plant's annual coal consumption divided by 365. Maximum burn days were chosen for the inventory guideline because it is a better measure of how many days supply that a plant actually has when running at full load.

Q. Which AmerenUE plants have the physical space to accommodate the 55-day level of inventory?

A. Labadie and Rush Island have the capability to store enough coal inventory for 55 maximum burn days. The Sioux Plant has the capability to store 55 maximum burn days of Illinois coal but does not have the space to store 55 maximum burn days of PRB coal. However, by increasing the Illinois coal inventory above 55 maximum burn days, a Btu equivalent of 55 maximum burn days can be accommodated. Meramec is currently limited by physical space to 32 maximum burn days of inventory.

Q. With the physical restrictions at Meramec and Sioux, what is the overall target level of coal inventory for AmerenUE?

A. With these restrictions, the target inventory for AmerenUE is 49 days of maximum burn.

Q. What were AmerenUE's inventory levels during the test year?

A. The test year inventory levels were unusual because of rail delivery disruptions in the Powder River Basin which began in mid-May 2005.

The inventories at May 1, 2005 were:

Labadie	**[redacted]** maximum burn days
Meramec	**[redacted]**
Rush Island	**[redacted]**
Sioux	**[redacted]**
AmerenUE average	**[redacted]**

On May 11, 2005 there was a major storm event in the Powder River Basin. This was followed by derailments on the Joint Line on May 14, 2005 and May 15, 2005 which were blamed on poor track conditions. The Joint Line is owned and used jointly by AmerenUE's two primary rail carriers to reach Powder River Basin mines. The railroads undertook an extensive maintenance program which lasted until November 23, 2005. This maintenance program slowed traffic on the Joint Line, which resulted in reduced coal deliveries to AmerenUE plants. These reduced deliveries, combined with record coal burns in 2005, decreased inventory levels.

As of July 1, 2005, the beginning of the test year, the inventory levels at AmerenUE plants were:

Labadie	**[redacted]** maximum burn days
Meramec	**[redacted]**
Rush Island	**[redacted]**
Sioux	**[redacted]**
AmerenUE average	**[redacted]**

As of June 1, 2006, near the end of the test year, the inventory levels at AmerenUE plants were:

Labadie	**[redacted]** maximum burn days
Meramec	**[redacted]**
Rush Island	**[redacted]**
Sioux	**[redacted]**
AmerenUE average	**[redacted]**

Q. Does AmerenUE expect inventories to increase in 2006?

A. While the railroads are planning additional maintenance beginning in March 2006, it is expected that rail maintenance will not be as disruptive to coal shipments as that performed in 2005. **[redacted]**

Q. How was the target of 55 maximum burn days established?

A. A study was performed in 2001 to determine the desired coal inventory level. The study identified prior disruptions to coal deliveries, classifying the disruptions as large or small. An inventory level was established that would allow one large and one small disruption, and still maintain a minimum inventory of 35 days.

V. BACKGROUND: TRANSPORTATION AND TRANSPORTATION INFRASTRUCTURE INVESTMENT

Q. Briefly describe how coal is delivered to AmerenUE's four coal-fired power plants.

A. As mentioned above, the majority of the coal originates from the Powder River Basin in Wyoming. Railroads are the only available method of transportation to move large quantities of coal from the PRB to Missouri. The Powder River Basin coal

mines are served by one or both of the two western railroads, Union Pacific (UP) and Burlington Northern Santa Fe (BNSF). Mines located south of Gillette, Wyoming are served by the Joint Line, and can ship coal on either UP or BNSF. Mines north of Gillette are only served by the BNSF.

All four of AmerenUE's coal-fired plants have direct access to at least one of the western carriers. All four plants also have a means to receive coal from the other western carrier, either via barge transload (Meramec, Rush Island and Sioux) or in the case of Labadie, direct access from both the UP and the BNSF. The Sioux Plant receives some of its Illinois coal by barge, and in addition receives petcoke and tires by truck.

Q. What has been AmerenUE's strategy for obtaining transportation service to its coal-fired plants?

A. AmerenUE's primary strategy for obtaining transportation to its coal-fired plants has been to expand its options and create competition among the coal transportation providers. Historically, having competitive options among the coal transportation providers has served to reduce costs and improve reliability. Industry studies have shown that shippers with competitive options typically pay 20-30% less than captive shippers (shippers with service from only one carrier). Competition also can enhance reliability, because if one transportation provider is having a service problem, there is a possibility of using a back-up provider.

Q. Please describe the coal transportation arrangements for AmerenUE's coal-fired plants, starting with the Labadie Plant.

A. When the Labadie Plant was constructed in the 1960's, a coal unloading loop track was built which had a direct connection to the Missouri Pacific Railroad and a

direct connection to the Chicago, Rock Island and Pacific Railroad (CRIP). The Missouri Pacific merged with the Union Pacific in 1982. The CRIP line was purchased by Southern Pacific, which in turn was acquired by the Union Pacific in 1998, effectively reducing the plant to single line service by UP only. In 2000, AmerenUE filed a petition with the U. S. Surface Transportation Board requesting access to Labadie for the BNSF railroad. This access was granted, and the first BNSF train arrived at Labadie on August 31, 2000.

Q. What coal transportation contracts were in effect in the test year for the Labadie Plant?

A. In 2005-2006, AmerenUE had transportation contracts in place with both the UP and the BNSF railroads for the Labadie Plant for the transportation of coal originating in the PRB. In 2001, AmerenUE solicited bids for deliveries of PRB coal to the Labadie Plant beginning January 1, 2002. **[redacted]**

Q. **[redacted]**

A. **[redacted]**

Q. Are there any coal transportation contracts in place for the Labadie Plant after 2006?

A. Yes. In early 2004, both the UP and BNSF announced that they were ceasing the use of confidential negotiated contracts for the movement of PRB coal in favor of using public tariffs. UP designated its coal transportation tariffs as Circular 111 and BNSF designated its coal transportation tariffs as Tariff 90068. **[redacted]** Since the BNSF began the Tariff 90068 rate system and the UP started its Circular 111 rate system, they have been raising coal transportation rates consistently. All indications are that both railroads will continue to raise rates for the foreseeable future.

[redacted]

Q. What effect will the new UP Circular 111 tariff have on Labadie's transportation rates?

A. **[redacted]**

Q. **[redacted]

[redacted]**

A. **[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]**

Q. **[redacted]**

A. **[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]**

Q. What facilities are in place to deliver coal to the Meramec plant?

A. The Meramec plant was constructed in 1953 before the common use of unit trains to deliver coal (a unit train is a dedicated train serving a single origin and destination). The plant was constructed with a barge unloader and a single car railcar dumper, and therefore was not capable of receiving unit trains. In 2001, AmerenUE made the necessary modifications to the Meramec Plant to allow it to burn 100% PRB coal. Coal burn at this plant increased from 1.6 million tons in the year 2000 to 3.5 million tons in 2005. In order to handle the large volumes of PRB coal, a loop track with a direct connection to the UP railroad was constructed in 2001 to allow delivery of 135 car unit trains. In conjunction with the loop track, a barge loading system was constructed to allow trans-loading of coal from unit trains to barges. Trans-loading is the unloading of coal from railcars and the subsequent loading of the coal onto barges.

Q. What transportation contracts were in effect during the test year for the Meramec Plant?

A. In 2005-2006, AmerenUE had PRB coal transportation contracts in place with both the UP and the BNSF railroads for the Meramec Plant. **[redacted]**

Q. Are there any coal transportation contracts in place for the Meramec Plant after 2006?

A. **[redacted]**

Q. What was the effect of the new UP Circular 111 tariff on Meramec's transportation rate?

A. **[redacted]**

Q. What are the coal transportation options for the Rush Island Plant?

A. The Rush Island Plant has a coal unloading loop track with a direct connection to the BNSF. Also, the Rush Island Plant is located on the Mississippi River and it has a barge unloading system constructed in 2001 in conjunction with the construction of the unloading loop and barge loading facility at Meramec. The combination of these facilities gives Rush Island access to UP delivered coal barged from the Meramec Plant.

Q. How much coal was delivered to the Rush Island Plant during the current 2006 test year?

A. During the test year, 5.7 million tons of coal was shipped to the Rush Island Plant. 48,000 tons of this coal was Illinois coal delivered via barges and 78,000

tons was PRB coal delivered via UP from barges loaded at the Meramec Plant. The remainder of the coal was delivered directly by rail on the BNSF.

Q. Why did AmerenUE have PRB coal transportation contracts in place with both the BNSF and UP railroads for Rush Island during the current 2006 test year period?

A. In 2001, AmerenUE solicited bids for deliveries of PRB coal to the Rush Island and Sioux Plants. AmerenUE was able to request quotes from both the BNSF and UP railroads because AmerenUE was in the process of completing projects to promote competition for the coal transportation providers. Both the Rush Island and Sioux Plants had direct access to the BNSF. AmerenUE created competition by constructing barge unloaders at both the Rush Island and Sioux Plants and by constructing a coal transloading terminal at the Meramec Plant. With the coal transloading terminal at the Meramec Plant, PRB coal could be delivered by the UP and loaded into barges for ultimate delivery to the Rush Island and Sioux Plants. Therefore, for the first time the BNSF and UP had to compete for the business of delivering PRB coal to both plants.

Q. What transportation contracts were in effect during the current 2006 test year for the Rush Island Plant?

A. During the test year, AmerenUE had transportation contracts in place for the Rush Island Plant with the BNSF railroad, the UP railroad, and the East Side River Brokerage Company. **[redacted]** The East Side River Brokerage Company provides barging services from the Meramec barge loading facility. The term of this barging services contract is from January 1, 2005 through December 31, 2009.

Q. Are there any coal transportation contracts in place for the Rush Island Plant after 2006?

A. **[redacted]**

Q. What was the effect of the new BNSF tariff 90068 on Rush Island's transportation rate?

A. **[redacted]**

Q. What are the fuel transportation options for the Sioux Plant?

A. The Sioux Plant has a coal unloading loop track with a direct connection to the BNSF railroad. Also, the Sioux Plant is located on the Mississippi River and has a barge unloading system which was constructed in 2001. Truck deliveries of tire derived fuel (TDF) were also received in the test year. Therefore, the Sioux Plant is capable of receiving fuel deliveries by rail, barge and truck.

Q. How much coal was delivered to the Sioux Plant during the current 2006 test year?

A. During the test year, 3.8 million tons of coal was shipped to the Sioux Plant. 615,000 tons of this coal was delivered via barge and the rest was delivered by rail

on the BNSF. In addition, approximately 10,000 tons of TDF was trucked to the Sioux Plant during the test year.

Q. Why was some coal barged and the rest shipped by rail to the Sioux Plant during the current 2006 test year?

A. The Sioux Plant was constructed in the 1960's and both generating units at the plant were designed to burn Illinois Basin coal. In the early 1990's AmerenUE shifted as much of the burn as possible to lower cost PRB coal. However, the design of the Sioux Plant units is such that full load cannot be achieved on the low energy content of PRB coal. Therefore, approximately 18% of the higher energy content Illinois Basin coal is blended in with the PRB coal in order to allow the units to operate at their capacity. Some of the Illinois Basin coal burned at the Sioux Plant in 2005 was transported by barge because it was more economical to do so than to deliver it by rail. All of the PRB coal was shipped to the plant rail direct by the BNSF.

Q. What transportation contracts were in effect during the current 2006 test tear for the Sioux Plant?

A. During the current 2006 test year, AmerenUE had transportation contracts in place for the Sioux Plant with the BNSF railroad, the UP railroad, the East Side River Brokerage Company and Knighthawk Coal LLC. **[redacted]**

Q. Are there any coal transportation contracts in place for the Sioux Plant after 2006?

A. **[redacted]**

Q. What was the effect of the new BNSF tariff 90068 on Sioux plant's transportation rate?

A. **[redacted]**

Q. Your testimony above indicates that all of the AmerenUE plants are seeing substantial freight increases for their PRB coal. Has the railroads' use of public tariff pricing changed how the railroads approach the coal business?

A. **[redacted]** The railroads have been slow to improve their infrastructure to meet the increased demand. In order to limit the demand

and to increase revenue, BNSF and UP implemented tariff pricing for their coal movements and have increased rates significantly.

Q. What are other differences in the manner in which railroads provide service?

A. AmerenUE's rail transportation tariffs which take effect on January 1, 2007 contain diesel fuel oil adjustment clauses which allow the railroads to pass through increases in locomotive diesel fuel oil costs through percentage rate adjustments to the contracted rail transportation rate. **[redacted]** These adjustment clauses reflect a variable component of the transportation tariffs which can vary depending on the level of the diesel fuel index used to determine the adjustment.

Q. Could AmerenUE eliminate these adjustment clauses from the rail transportation contracts?

A. No. The BNSF and UP have adopted new coal pricing mechanisms for shipments of PRB coal which transfer fuel risk to their customers. Neither railroad will sign a new agreement without these fuel oil riders.

Q. Do the railroads calculate the tariff fuel oil adjustment similarly?

A. Yes. UP's new rail tariff program uses On-Highway Diesel Pricing Index Reports in combination with escalation tables to establish the adjustment as a percentage change to the base contract rate.

In BNSF's tariff program, the fuel adjustment is implemented on a mileage rate adder, and not as a percentage change to the base contract rate. The adjustment is also calculated using On-Highway Diesel Pricing Index Reports in combination with a fuel

adjustment dollar per mile table. The adjustment is determined by multiplying the adjustment dollar per mile rate from the table by the rail mileage distance between the mine origin and plant destination.

Q. How does AmerenUE plan to address this exposure?

A. In 2005 AmerenUE implemented a fuel oil hedging program utilizing New York Mercantile Exchange (NYMEX) Heating Oil Call Option Contracts as a means to limit its exposure to these fuel oil riders. Since there are no established diesel fuel commodity markets, heating oil represents the best commodity that can be used to hedge fuel oil rider exposure.

Q. Please explain how the hedging program works.

A. Historically, the cost of heating oil and the On-Highway Diesel Index have been shown to be 96 percent correlated. Utilizing Heating Oil Call Option contracts provides a hedge (a price cap) against price increases in diesel fuel, while allowing AmerenUE to capture the benefits from downward fluctuations in price movements in diesel fuel to the extent that the index is above the base amount. This is a financial hedge only, with no physical commodity being purchased. Any financial gains offset the increased costs under the applicable transportation contracts. The number of call options contracts required to hedge the exposure is determined by the tonnage of coal that is exposed under the transportation contract.

Q. When did the Fuel Oil Rider hedging program begin and what have been the results?

A. **[redacted]**

The fuel oil hedging program began in third quarter of 2005. At approximately the same time, Hurricanes Katrina and Rita inflicted severe damage to the Gulf Coast and disrupted oil production. As a result, market volatility spiked, the correlation between energy related commodities became disjointed, and previously effective hedges became ineffective. Consequently, no hedges were put in place during this period.

During the fourth quarter of 2005 as market volatility settled into a more normal range, AmerenUE began to put hedges in place for 2006.

Q. How are the diesel fuel adjustments in the transportation contracts being addressed in AmerenUE's cost of service in this case?

A. **[redacted]** However, diesel fuel adjustments are contained in **[redacted]** transportation contracts for all four AmerenUE plants. The diesel fuel adjustment in these new contracts is based upon the On Highway Diesel Pricing Index.

Consequently, when AFS provided AmerenUE witness Tim Finnell with its delivered fuel costs for use in the PROSYM model for developing revenue requirements, transportation costs were furnished which included projections for the 2007 diesel fuel adjustments. These 2007 projections are very close to the index values observed thus far in 2006.

AmerenUE will update its case to reflect actual test year fuel data through year end 2006 using January 1, 2007 coal and coal transportation prices, and will update the fuel costs to reflect fuel adjustments for all plants using the actual average On Highway Diesel pricing index results for the year ending December 31, 2006.

VI. RAILCAR FLEET EXPENSES/DESCRIPTION

Q. What is the purpose of this portion of your testimony?

A. The purpose of this portion of my testimony is to provide a description AmerenUE's railcar fleet and to describe associated expenses.

Q. Describe AmerenUE's railcar fleet.

A. AmerenUE's four coal-fired power plants have all been designed to unload bottom dump coal cars. As a result, AmerenUE's railcar fleet is entirely made up of rapid discharge bottom dump hopper cars. See Schedule RKN-1 for a count and a detailed description of the AmerenUE's railcar fleet.

Q. Why does AmerenUE own some railcars and lease others?

A. Ameren's Treasury Department provides an analysis every time it is determined that railcars should be acquired. The decision to own or lease the railcars is an economic decision.

Q. How does AmerenUE decide how many railcars are needed?

A. Every year AmerenUE prepares a five-year Fuel Budget which includes forecasted fuel burns. A spreadsheet model is then used to determine the number of railcars that will be required to move the budgeted coal in the upcoming year. If a consistent need for additional railcars is identified, the process to acquire the cars is started.

Q. Describe AmerenUE's process to acquire railcars.

A. After the long-term need for the railcars has been determined, AmerenUE issues requests for bids for the required number of cars. After receiving bids from the railcar builders, the order is placed with the lowest competent bidder. AmerenUE then

hires a full-time inspector to be present at the facility during the construction. In addition, AmerenUE will send qualified employees to the car shop to ensure that the cars are of good quality.

Q. What kinds of expenses are associated with AmerenUE's railcar fleet?

A. There are routine maintenance expenses, program repair expenses, depreciation expenses on the cars owned by AmerenUE, lease payments on the cars leased by AmerenUE and miscellaneous expenses such as the cost of car inspectors, data retrieval, shop inspector and Association of American Railroad fees. AmerenUE's railcar fleet is also subject to ad valorem taxes in some states. These taxes are approximately $200 per year per car depending on which states the cars traveled through during the year, how many miles they traveled in the states, etc.

Q. Does AmerenUE ever enter into short-term leases for railcars?

A. Yes. AmerenUE will enter into short-term railcar leases if a temporary need for railcars arises.

Q. What is the purpose of short-term leasing of railcars?

A. Due to plant outages, fluctuations in burns, and changes in railroad performance, AmerenUE on occasion will be either short or long on railcar/trainset capacity for short-term periods. When railcars are needed, AmerenUE may lease equipment from the railroads, other Ameren companies (intracompany) or third parties to cover the short-term need. On occasion, AmerenUE will also have spare or extra railcar/trainset capacity. AmerenUE can choose to store these extra trainsets or lease this equipment to railroads, other Ameren companies, or other parties on a short-term basis.

Q. Please explain how a short-term railcar lease is structured.

A. AmerenUE makes arrangements with the lessee to take a trainset or the lessor to acquire a trainset. If the counterparty is a railroad or unaffiliated party, an agreed-upon price is established and a standard industry trainset leasing agreement is signed. The lease commences on the trainset loading date when the set loads the lessee's coal and ends when the trainset is reloaded with AmerenUE coal. AmerenUE and the lessee have the opportunity to make equipment inspections at the start and end of the lease period. AmerenUE either makes a payment or receives a payment for the trainset capacity based on the lease rate and the number of days the set was leased. Payments are made or received monthly.

If it is an intracompany lease, AmerenUE has established Master Leases and Riders between the companies with each lease established in a rider. Rates for use of AmerenUE cars are based on the asymmetric pricing provisions of Missouri's Affiliate Transaction Rules. For example, if AmerenUE leases a trainset to another Ameren company, AmerenUE receives the higher of market or cost. If AmerenUE leases a trainset from another Ameren Company, AmerenUE pays the lower of market or cost.

Q. Please explain how the lease rate is determined?

A. For railroad and third party leases, a market rate at the time of the lease is established. AmerenUE has contacts with all the major railcar leasing organizations and has long-term lease arrangements with the major railcar equipment organizations. Market rates are determined by routinely surveying these railcar leasing organizations. These market rates are also used to determine the lower/higher of cost or market for intracompany leases.

VII. FUTURE KNOWN AND MEASURABLE INCREASES IN COAL PRICES

Q. You earlier discussed new coal contracts with higher prices effective January 1, 2007. Please elaborate further.

A. I have reproduced Table 2 below. That table shows the significantly higher coal and transportation prices and total coal and transportation costs for AmerenUE up through 2007. AmerenUE also expects its delivered coal prices to increase significantly in 2008 and 2009 This continues a recent trend, particularly over the last two years when coal prices have increased dramatically. Moreover, the cost of rail transportation has also risen since 2004 with the railroads' implementation of public tariff pricing and fuel adjustment clauses, as I discussed above. The new contracts entered into by AmerenUE to replace expiring contracts reflect this trend.

Table 2: Summary of Total Coal and Transportation Costs

	2001 Prior Test Year	**2006 Current Test Year**	**2007**
Total Coal Cost	** [redacted] **/ton	** [redacted] **/ton	** [redacted] **/ton
Total Coal Transportation Cost	** [redacted] **/ton	** [redacted] **/ton	** [redacted] **/ton
Total	**** [redacted] ****/ton**	**** [redacted] ****/ton**	**** [redacted] ****/ton**
Percentage increase over 2001	--	** [redacted] **	** [redacted] **
Total equivalent annual costs (coal and trans only) at 22.5 million tons 2007 annual burn	** [redacted] ** million	** [redacted] ** million	** [redacted] ** million

Note: The 2007 costs are based upon the PRB coal and transportation contracts mentioned above which fix the prices for ** [redacted] ** of expected 2007 burn. The variable components of those contracts are based on current expectations but will be updated for costs (SO2 content, heat rate, Diesel fuel riders) actually experienced during the test year as updated through January 1, 2007.

Q. What were AmerenUE's coal costs in the current 2006 test year?

A. For the current 2006 test year, the average mine base cost for PRB coal was **[redacted]** per ton. The average mine base cost for non-PRB coal for the current 2006 test year was **[redacted]** per ton. As shown in Table 2 above, the average cost of all coal was **[redacted]** per ton.

Q. What changes to coal prices will occur in 2007 versus the test year?

A. As addressed earlier, AmerenUE has contractual commitments for almost all of its expected coal requirements for 2007. Most of our coal supply agreements specify fixed mine base prices which are subject only to minor adjustments for quality (Btu and SO2).

AmerenUE will purchase approximately 22.7 million tons of PRB coal for the year 2007. This coal will be needed to support approximately 21.9 million tons of PRB burn plus .8 million tons of PRB inventory build. Approximately **[redacted]** of the 2007 PRB coal needed to support the projected 21.9 million tons of PRB burn is currently price-hedged under contract at an average mine base cost of **[redacted]** per ton.

Approximately **[redacted]** of the non-PRB coal needed in 2007 to support the projected 0.6 million tons of non-PRB burn is currently hedged under contract at an average mine base cost of **[redacted]** per ton.

Q. What changes will occur to AmerenUE's coal prices in 2008?

A. For the year 2008, AmerenUE will need approximately 22.7 million tons of PRB coal to support burn. In 2008, it is not anticipated that additional coal to build PRB inventories will be needed. Approximately **[redacted]** of the PRB coal needed to support the projected 2008 burn of 22.7 million tons is currently price-hedged under

contract at an average mine based-cost of ** ** per ton. **

**

VIII. FUTURE KNOWN AND MEASURABLE INCREASES IN COAL TRANSPORTATION COSTS

Q. You earlier discussed new transportation contracts with higher prices effective January 1, 2007. Please elaborate further.

A. Yes. As depicted in Table 2 above, AmerenUE expects its coal transportation costs to increase significantly in 2007, rising to an average cost of ** ** per ton.

Q. What were AmerenUE's coal transportation costs in the current 2006 test year?

A. For the current 2006 test year, the overall average transportation rate was ** ** per ton.

Q. What will AmerenUE's coal freight rates be for 2007?

A. AmerenUE has contractual commitments for almost all of its expected coal transportation requirements for 2007. **

** As I discussed earlier, fuel adjustments are applied to the fixed base freight rate and are calculated based a fuel index. As mentioned above, for the year 2007, AmerenUE will ship approximately 23.3 million tons of coal. ** ** of the PRB coal transportation needed for the projected 22.7 million tons of PRB shipments is currently hedged under contract at an average coal freight rate of ** ** per ton, including fuel adjustment.

Approximately ** [redacted] ** of the 2007 non-PRB coal transportation needed to ship the projected 0.6 million tons of non-PRB burn in 2007 is currently hedged under contract at an average coal freight rate of ** [redacted] ** per ton.

Q. What will AmerenUE's coal transportation prices be for 2008?

A. For the year 2008, AmerenUE will ship approximately 23.3 million tons of coal. ** [redacted] ** of the PRB coal transportation needed for the projected 22.7 million tons of PRB shipments is currently hedged under contract at an average coal freight rate of ** [redacted] ** per ton.

** [redacted] ** of the non-PRB 2008 coal transportation needed to ship the projected 0.6 million tons of non-PRB burn is currently hedged under contract.

Q. Does this conclude your direct testimony?

A. Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Union Electric Company d/b/a AmerenUE for Authority to File Tariffs Increasing Rates for Electric Service Provided to Customers in the Company's Missouri Service Area.	)))))	Case No. ER-2007-0002

AFFIDAVIT OF ROBERT K. NEFF

STATE OF MISSOURI)
) **ss**
CITY OF ST. LOUIS)

Robert K. Neff, being first duly sworn on his oath, states:

1. My name is Robert K. Neff. I work in the City of St. Louis, Missouri, and I am employed by AmerenEnergy Fuels and Services Company as Vice President.

2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Union Electric Company d/b/a AmerenUE consisting of 41 pages, Attachment A and Schedule RKN-1 all of which have been prepared in written form for introduction into evidence in the above-referenced docket.

3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct.

Robert K. Neff
Robert K. Neff

Subscribed and sworn to before me this 6th day of July, 2006.

Carolyn J. Woodstock
Notary Public

My commission expires: May 19, 2008

CAROLYN J. WOODSTOCK
Notary Public - Notary Seal
STATE OF MISSOURI
Franklin County
My Commission Expires: May 19, 2008

EXECUTIVE SUMMARY

Robert K. Neff

Vice President, Coal Supply
Ameren Energy Fuels and Services Company (AFS)

* * * * * * * * * * *

The purpose of my testimony is to explain the increasing coal and related transportation costs that affect AmerenUE's revenue requirements in this case.

The key conclusions in my testimony are:

1. AmerenUE will generate 79% of its electricity from coal-fired power plants in the test year AmerenUE is recommending for this case. At the same time, AmerenUE's 2007 average cost of a delivered ton of coal will have increased by 42% over the cost of a delivered ton of coal per AmerenUE's books for the period corresponding to the updated test year in AmerenUE's prior rate case proceeding in 2001. At the expected total annual coal burn in 2007, this equates to a coal cost increase of $162 million for 2007 over 2001.
2. 96% of the coal burned by AmerenUE originated in the Wyoming Powder River Basin (PRB) during the current 2006 test year, which, like other coal regions, have seen a substantial increase in coal and transportation costs since 2001. At the expected 2007 PRB burn level, AmerenUE's 2007 PRB coal and rail freight costs will account for $136 million of the $162 million total coal cost increase for 2007.
3. AmerenUE's 2007 delivered PRB coal costs will increase substantially over the current 2006 test year based on the 2007 PRB burn level. While

AmerenUE's coal and transportation costs have increased in 2006, and will significantly increase again in 2007, AmerenUE's costs are still well below current market prices because of the coal hedging program of Ameren Energy Fuels and Services Company which has hedged a high percentage of the coal and transportation needed to meet the 2007 burn via executed contracts with prices effective January 1, 2007.

4. AmerenUE's coal costs are expected to continue to increase toward market levels in subsequent years as existing contracts expire and new agreements are signed.

AMERENUE RAILCAR FLEET AS OF 6/1/06

Reporting Marks	Original # of Cars	Remaining # of Cars	Year Built	Approx Age in 2006	Lessor	Year of Lease Expiration	Car Builder	Model	Body Material	Type	Rotary Couplers?
UCEX 91001-91480	480	422	1991	15	None	N/A	Trinity	RDII	Aluminum	Hopper	No
UCEX 92001-92120	120	109	1992	14	None	N/A	Trinity	RDII	Aluminum	Hopper	No
UCEX 92121-92240	120	116	1993	13	None	N/A	Trinity	RDII	Aluminum	Hopper	No
UCEX 94001-94360	360	317	1994	12	None	N/A	Trinity	RDII	Aluminum	Hopper	No
UCEX 95001-95240	240	214	1995	11	None	N/A	Thrall	Avalanche	Aluminum	Hopper	No
UCEX 96001-96120	120	113	1996	10	None	N/A	Thrall	Avalanche	Aluminum	Hopper	No
UCEX 97001-97249	249	243	1997	9	None	N/A	Trinity	RDIV	Aluminum	Hopper	No
UCEX 99001-99016	16	16	1999	7	None	N/A	Johnstown	Autoflood II	Aluminum	Hopper	Yes
UCEX 2001-2240	240	235	2000	6	None	N/A	Trinity	RDIV	Aluminum	Hopper	No
UCEX 2241-2480	240	236	2000	6	None	N/A	Trinity	RDIV	Aluminum	Hopper	Yes
Owned Cars:	2,185	2,021									
UCEX 90001-90240	240	225	1990	16	Pitney Bowes	2010	Trinity	RDII	Aluminum	Hopper	No
UCEX 98001-98487	487	458	1998	8	GE	2020	Trinity	RDIV	Aluminum	Hopper	No
UCEX 2481-2600	120	118	2000	6	GE	2020	Trinity	RDIV	Aluminum	Hopper	Yes
UCEX 22001-22720	720	716	2002	4	GE	2022	Johnstown	Autoflood III	Aluminum	Hopper	No
UCEX 24501-24680	180	180	2004	2	CIT	2024	Johnstown	Autoflood III	Aluminum	Hopper	No
UCEX 25001-25145	145	145	2005	1	GE	2025	FreightCar	Autoflood III	Aluminum	Hopper	No
UCEX 26001-26700	700	700	2006	0	GE	2026	FreightCar	Autoflood III	Aluminum	Hopper	No
Leased Cars:	2,592	2,542									
Total Cars:	4,777	4,563									