

Surface Transportation Board Issues Decision in "Xcel v. BNSF" Rail Rate-Complaint Case

Surface Transportation Board Chairman Roger Nober today announced that the STB has issued its unanimous decision in the maximum railroad rate case brought before the agency by the Public Service Company of Colorado, doing business as Xcel Energy ("Xcel"), against The Burlington Northern and Santa Fe Railway Company ("BNSF"). In today's decision, the STB found that Xcel had demonstrated that the challenged rates are unreasonably high under the agency's "stand-alone cost" ("SAC") test. The STB ordered BNSF to reduce the challenged rates and to pay reparations to Xcel. This decision was in compliance with the statutory deadline in this case.

A copy of today's decision in the case entitled [*Public Service Company of Colorado d/b/a/ Xcel Energy v. The Burlington Northern and Santa Fe Railway Company, STB Docket No. 42057*](#), is available for viewing and downloading via the agency's Web site at <http://www.stb.dot.gov>. Printed copies also are available for a fee by contacting **ASAP Document Solutions, 9332 Annapolis Rd., Suite 103, Lanham, MD 20706, telephone (301) 577-2600**, or via asapmd@verizon.net. A fact sheet is attached.

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ATTACHMENT

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Public Service Company of Colorado d/b/a Xcel Energy v. The Burlington Northern and Santa Fe Railway Company, STB Docket No. 42057

On December 20, 2000, the Public Service Company of Colorado, doing business as Xcel Energy ("Xcel"), filed a complaint challenging the reasonableness of the rates charged by The Burlington Northern and Santa Fe Railway Company ("BNSF") for the transportation of coal from origins in the Powder River Basin of Wyoming to Xcel's Pawnee Steam Electric Generating Station near Brush, Colorado. Xcel asked the STB to prescribe the maximum reasonable rates that BNSF may charge for this traffic.

The STB decision is based on the evidence filed by the parties and informed by an oral argument session, held on March 18, 2004, that allowed the parties to present their positions and to respond to agency questions in a public forum.

The STB's "stand-alone cost" ("SAC") test seeks to determine the lowest cost at which a hypothetical, efficient, "stand-alone railroad" ("SARR") could provide the transportation service needed by a complaining shipper. Under the SAC test, the complaining shipper designs a hypothetical railroad specifically tailored to serve its needs and the needs of other traffic it designates. The costs of building and operating such an efficient SARR are then compared to the revenues that such a system could expect to earn. If, as in this case, the shipper demonstrates that the SARR would earn more than necessary to cover all of its costs (including a reasonable return on investment), the shipper is entitled to rate relief.

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