

Coal Transportation®

NORTH AMERICAN TRANSPORTATION NEWS & ANALYSIS

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Spot US barge rates				\$/st
January rates	Bid	Ask	Midpoint	Change
Domestic movements				
Big Sandy to Pittsburgh	8.50	12.00	10.25	-1.00
Port Amherst to Cincinnati	9.50	10.00	9.75	-1.00
Port Amherst to Pittsburgh	10.00	12.00	11.00	-1.00
Big Sandy to St. Louis	19.00	22.00	20.50	-1.00
Movements to export terminals				
Big Sandy to Davant	22.00	24.00	23.00	-2.00
Birmingham to Mobile	14.00	15.00	14.50	0.00
Louisville to Davant	20.00	22.00	21.00	-2.00
Port Amherst to Davant	25.50	28.00	26.75	-2.00
St. Louis to Davant	17.00	19.00	18.00	-2.00
Northbound backhauls				
Davant to Chicago	13.00	16.50	14.75	-2.25
Davant to Cincinnati	14.50	16.00	15.25	-2.13
Davant to Huntington	19.00	23.00	21.00	-1.50
Davant to Pittsburgh	21.00	25.00	23.00	-1.50
Davant to St. Louis	9.50	11.00	10.25	-0.38

Barge rates slip

Spot barge rates slipped over the past month as low international coal and domestic natural gas prices limited demand for spot shipments.

Coal movements by barge remain equal to last year as generators are still taking delayed shipment or, in a few cases, still building up inventory for the current winter. But most of that coal moves under existing long-term contracts.

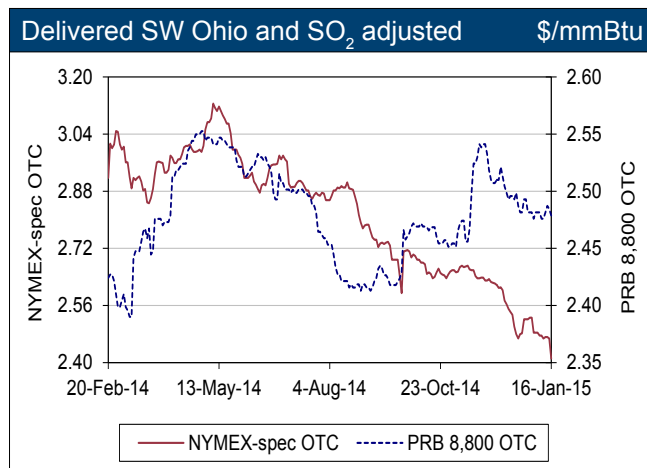
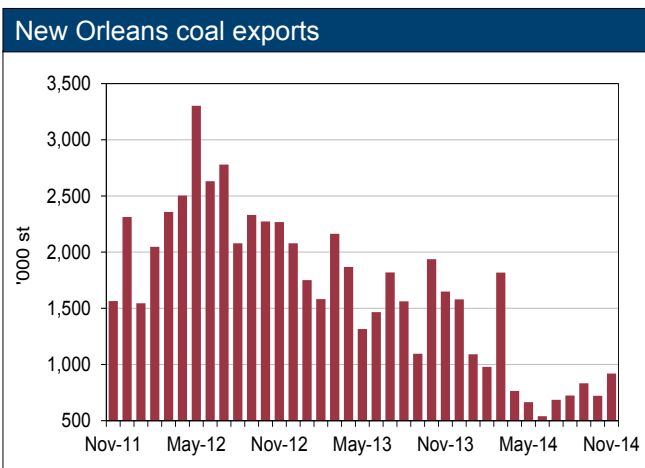
Many rates are above year-ago levels despite dropping during the last few months. Rates jumped last year on heavy demand for barge coal that was forced to compete with surging volume in other commodities.

The spot market for coal barges is extremely limited. Natural gas prices below \$3/mmBtu have again prompted fuel switching away from coal at a number of eastern utilities.

There is hope for coal in the fact that generators are still looking to buy Central Appalachian barge coal.

The Tennessee Valley Authority (TVA) took bids for prompt deliveries last week. The Eastern Kentucky Power Cooperative

Continued on page 2



Executive briefing

Barge rates moved lower over the past month as competing fuel prices limited demand for domestic and export shipments. Export shipments will likely remain limited while the price of coal delivered into Europe is at record lows.

- Eastern coal prices soften
- Ice hampers Great Lakes shipments
- US coal exports at near four-year low
- Ram Terminals Louisiana permit overturned
- Generators buy Central App barge coal

NEXT WEEK: INTERNATIONAL SEABORNE

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Weather slows Illinois river traffic

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and American Electric Power recently bought nearly 500,000 short tons (453,592 metric tonnes) for delivery through mid-2015.

The export market offers no relief. With API 2 nearing nine-year lows since last week, US coal exporters have even less reason to try to book international sales.

The price of coal delivered to Europe has fallen below \$60/t — previously widely seen as the floor for coal in Europe. Most US exporters find that price point too far below mining costs to sell their product.

Plunging Brent crude prices have contributed to lower international coal prices but that is just one of many factors weighing on the market. Weak demand, falling gas prices across Europe and near-record low freight rates, along with a weaker rouble and euro, have all contributed to the steep fall in coal prices.

The weather has not been much of a problem so far this winter for Central App coal shipments. There has been some ice but not enough to significantly affect traffic on the Ohio, Big Sandy and Kanawha rivers.

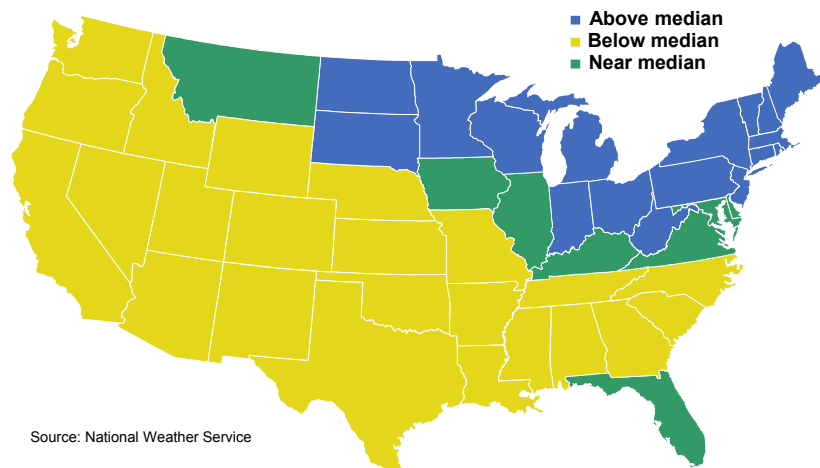
Illinois river barge traffic, much of it southbound petroleum coke shipments, is the center of most weather delays. The icy river has hampered lock activities, sometimes forcing barge operators to break tows in half to move through the locks. Breaking tows in half increases the time it takes to pass through the locks.

Barge operators on the river have been directed to switch to ice couplings by the US Army Corps of Engineers. Couplings are a different way of attaching barges to one another that allows them to connect in groups more easily when ice has started to build on the outside of barges.

If ice remains thick on the Illinois and other waterways, barge operators might be forced to haul less coal. That would interfere with deliveries because more trips would be required.

Demand for barge coal increased last year unexpectedly for many barge operators. Some found themselves short of equipment because they had not thought their contract customers would move the maximum amount of coal allowed under their contracts. Generators were able to get all of their coal but a few operators had to outsource shipments to other lines.

NWS 6-10 day forecast: Precipitation



Source: National Weather Service

Light snow is expected to move across the Great Lakes mid-week. That will be followed by heavier snow across the southern Rockies and High Plains, with rain across much of central and southern Texas.

Eastern prices soften

US steam coal physical markets were mixed last week, with Appalachian and Illinois basin prices dropping while the Powder River basin (PRB) market held steady.

Improved rail service and a rebound in natural gas futures to more than \$3/mmBtu underpinned PRB prices.

Direct assessments for the standard 8,800 Btu/lb, 0.8lb SO₂/mmBtu specification were flat at \$12.45/short ton for the second quarter of 2015 and up by 5¢ to \$13.70/st for calendar 2016. PRB 8,400 Btu/lb coal was flat at \$9.80/st for the prompt quarter and \$10.45/st for the 2016 strip.

But eastern US markets declined, reflecting abundant Illinois basin and Northern Appalachian supply that could intensify if gas prices stay competitive. Eastern railroad CSX expects its domestic coal shipments to rise above constrained year-ago levels in the first quarter but be flat or lower the rest of the year, the company said on 14 January.

CSX's coal deliveries to US customers "should remain relatively stable in 2015," chief financial officer Fredrik Eliasson said, although export shipments remain "challenged" and may drop by almost 25pc from 2013.

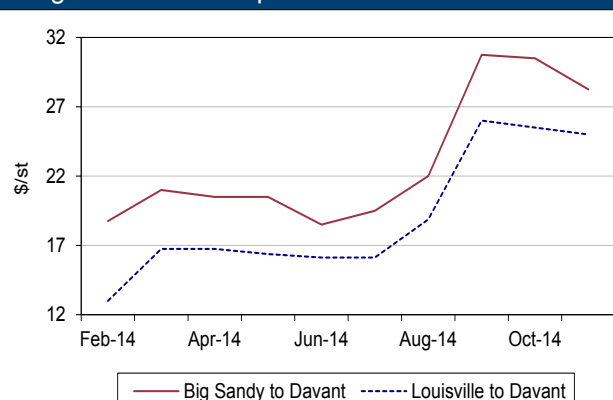
Further ahead, CSX is "not necessarily banking on coal on the domestic side coming back significantly from where it is today," he added.

Despite rail bottlenecks last year and into 2015, CSX said US generator coal inventories are at normal levels in the north and south, which could limit buyer interest if gas steals more market share.

Direct Central App pricings last week reflected the muted demand. Prompt quarter Nymex-spec barge coal shed 75¢/st to \$52.15/st, while the CSX 12,500 Btu/lb, 1.6lb SO₂ rail assessment slipped by 20¢ to \$52/st. Over-the-counter markets for Central App coal were even lower, with the prompt quarter below \$50/st.

Atlantic basin export prices fell more sharply as API 2 markets in northwest Europe hit nine-year lows amid falling crude prices and a weaker euro against the US dollar.

Barge rates to US export terminals



Season-to-date Great Lakes loadings				st
	Jan-Nov 2014	Jan-Nov 2013	Change	Pc change
Lake Erie	7,285,851	5,796,691	1,489,160	+26%
Lake Superior	12,485,196	14,009,530	-1,524,334	-11%
Lake Michigan	1,590,740	2,573,767	-983,027	-38%
Total	21,361,787	22,379,988	-1,018,201	-5%
Total - November	2,595,943	2,675,065	-79,122	-3%
Annualized total for year	23,344,468	24,457,173	-1,112,705	-5%

Coal production trends				mn st
Coal Production for the 4 weeks ended on:				
	27-Dec-14	28-Dec-13	Change	Pc change
Wyoming	31.85	28.98	+2.87	9.9%
West Virginia	8.32	7.54	+0.78	10.3%
Kentucky	6.17	5.60	+0.57	10.2%
Pennsylvania	4.05	4.06	-0.01	-0.3%
Indiana	2.98	2.81	+0.17	6.0%
Illinois	4.12	3.56	+0.56	15.7%
Colorado	1.46	2.10	-0.64	-30.5%
Utah	1.13	1.03	+0.10	9.9%
Appalachia	19.93	18.62	+1.31	7.1%
East	30.48	28.09	+2.39	8.5%
West	45.42	42.73	+2.69	6.3%
Total	75.90	70.82	+5.09	7.2%

Central Appalachia				\$/st
Location	Btu/lb	lbs SO ₂	Price	Change
NYMEX-spec barge	12,000	1%		
2Q15			52.15	-0.75
CSX rail	12,000	1.2		
2Q15			49.45	-0.20
CSX rail	12,500	1.6		
2Q15			52.00	-0.20

Powder River Basin				\$/st
FOB mine/rail	8,800	0.8		
2Q15			12.45	—
FOB mine/rail	8,400	0.8		
2Q15			9.80	—

Illinois Basin				\$/st
Illinois/Indiana mine	11,500	5.0		
2Q15			35.50	-0.25
Illinois/Indiana mine	11,000	6.0		
2Q15			34.00	-0.25

Colorado/Utah				\$/st
Western bituminous	11,300	<1%		
2Q15			28.75	—
Uinta Basin, Utah	11,700	<1%		
2Q15			41.25	—

Pittsburgh Seam				\$/st
FOB mine	13,000	3.5		
2Q15			51.50	—
FOB mine	13,000	4.5		
2Q15			50.30	—

Alpha president Vining moves

US-based coal producer Alpha Natural Resources president Paul Vining will step down from his position on 31 January to take a chief executive officer position with a Cline group affiliate.

Alpha executive vice president and chief commercial officer Brian Sullivan and newly appointed executive vice president for mining operations Keith Hainer will take on “expanded responsibilities” within the company upon Vining’s departure, the Virginia-based company said.

Evolution opens brokerage desk

Energy and emissions brokerage Evolution Markets launched a European coal desk to expand its brokerage of Atlantic basin steam coal contracts and complement its coverage of US and Asia-Pacific markets.

Evolution’s London-based European coal team will focus on arranging trades of coal derivatives, including swaps, futures and options structures cleared on CME and ICE Futures Europe.

WildEarth appeals air permit

WildEarth Guardians has appealed the US Environmental Protection Agency (EPA) air quality permit for the 500MW Bonanza coal-fired power plant in Utah.

EPA on 5 December issued Bonanza plant owner Deseret Power Electric Cooperative a Clean Air Act title V permit to operate the plant, with a public comment period leading up to an effective date of 7 January. On that day, WildEarth appealed the permit.

The group said the permit should have required the plant to comply with the federal Clean Air Act and install the best-available pollution controls.

US coal production to fall

US coal production will drop this year and next, reaching the lowest level in 23 years, government estimates released last week show.

Output will fall to 983.8mn st (982.5mn metric tonnes) this year and 976.9mn st in 2016 from an estimated 994.2mn st last year, the Energy Information Administration (EIA) projected

in its Short-Term Energy Outlook. The last time production was this low was in 1993, when it totaled 945.4mn st.

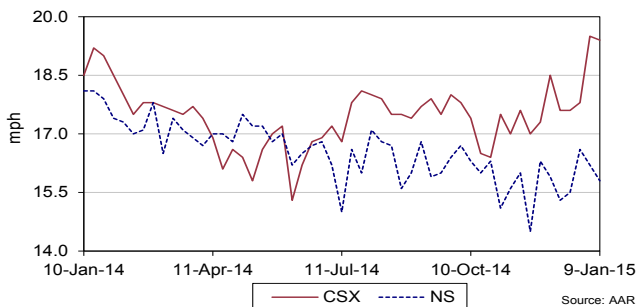
This is the first time EIA has issued 2016 projections in its short-term outlook. Breaking down production by region, Appalachian coal output will fall by 6.4pc over the next two years to 254.8mn st in 2016, while western production will dip by 0.8pc to 530.8mn st. The interior US, which includes the Illinois basin and other central states, will rise by 2.3pc compared with 2014, to 191.3mn st in 2016.

We Energies to sell Presque Isle

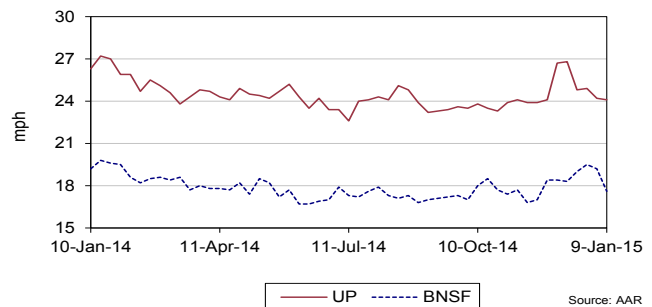
We Energies plans to sell its 625MW Presque Isle coal-fired plant in Michigan to Upper Peninsula Power as part of a proposed deal that will keep the plant on line five years longer than planned and end controversial reliability payments.

We Energies and Upper Peninsula Power reached the agreement last week with Michigan governor Rick Snyder (R), state attorney general Bill Schuette (R), utility customer Cliffs Natural Resources and plant developer Invenenergy.

CSX vs NS coal train speeds



BNSF vs UP coal train speeds



Argus competing fuels analysis

Delivery:	PRB coal		Illinois basin		Central Appalachia		Western bituminous		Petroleum coke		Natural gas
	\$/st	\$/mmBtu	\$/st	\$/mmBtu	\$/st	\$/mmBtu	\$/st	\$/mmBtu	\$/mt	\$/mmBtu	\$/mmBtu
Southwest Ohio	43.83	2.49	50.07	2.18	72.16	2.89			83.15	2.66	3.00
USGC terminal			58.54	2.55	75.17	3.13			64.00	2.04	
USEC export					68.59	2.74					
TVA	47.42	2.69			77.84	3.11	62.71	2.77	75.71	2.42	2.98
Southeast	50.94	2.89			81.56	3.26					3.80

Note: Assessed prices are Big Sandy/CSX 12,500 1.6lb to southwest Ohio, USEC, TVA and Southeast; NYMEX barge to USGC; Illinois 11,500 Btu, 5.0lb; and PRB 8,800 Btu, 0.8lb.

Ice cuts into 2014 Great Lakes traffic

The “glacial ice” that hit the Great Lakes last winter was a major driver in an estimated 7mn short ton drop in traffic from 2013, the Lake Carriers’ Association (LCA) said this month.

Coal, steel and limestone shipments suffered because vessels could not get through the heavy ice. Shipments by U.S.-flagged carriers between 1 December 2013 and 30 May 2014 dropped significantly, down by about 7mn st (6.4mn metric tonnes) from a year earlier, LCA said.

A similar harsh winter this year could be problematic because one of the US Coast Guard’s nine icebreakers is undergoing modernization at a yard in Baltimore and will be unavailable.

Great Lakes basin-served industries such as power generation and steelmaking are geared to receive cargo nearly year-round

so vessels need better access, LCA president James Weakley said. The group called on the Coast Guard to build another heavy icebreaker to keep shipping lanes open when ice builds up on the lakes.

Weather issues later in 2014 also affected traffic. Great Lakes coal shipments in November fell because of weather-related delays.

Shipments on the three lakes handling coal — Superior, Erie and Michigan — were down by 3pc in November to 2.6mn short tons (2.4mn metric tonnes) from 2.7mn st last year.

Lake Erie was the only waterway where volume increased last month, rising by 8.9pc to 839,835st. On a year-to-date basis, they were up by nearly a quarter, to 7.3mn st from 5.9mn st a year earlier.

The Pittsburgh and Conneaut Dock on Lake Erie in Conneaut, Ohio, handled coal this year for the first time in six years. The dock is loading coal for several US Steel operations. Last year through November, 612,935st loaded at the dock owned by Canadian National railroad.

Shipments along Lake Superior slipped to 1.55mn st from 1.59mn st in November 2013. Year-to-date they were down by 11pc to 12.5mn st. Tonnage along Lake Michigan also was down.

For the first 11 months of 2014, Great Lakes volumes were down by 4.8pc to 21.4mn st from 22.4mn st a year earlier.

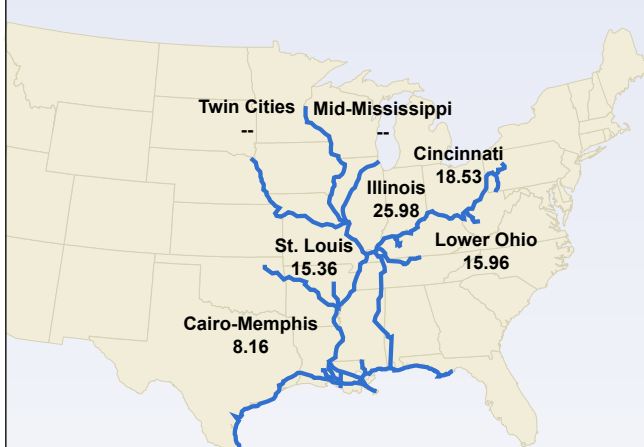
Strong over the summer helped offset a larger coal deficit created earlier in the year by the heavy snow and ice. The weather severely limited barge movements in March and April, particularly on Lake Superior. Some of those delays were also due to slower train service because of weather and rail congestion.

Great Lakes loadings

st	Nov-14	Nov-13	Change	Pc change
Lake Erie				
Toledo (CSX)	443,738	357,373	86,365	24.2
Sandusky (NS)	91,762	275,589	-183,827	-66.7
Ashtabula (Conrail)	203,170	137,916	65,254	47.3
Conneaut (BLE)	101,165	0	101,165	—
Buffalo	0	0	0	—
Total Lake Erie	839,835	770,878	68,957	8.9
Lake Superior				
Superior Terminal	1,464,785	1,556,945	-92,160	-5.9
Thunder Bay	81,712	33,382	48,330	144.8
Total Lake Superior	1,546,497	1,590,327	-43,830	-2.8
Lake Michigan				
Chicago (KCBX)	209,611	313,860	-104,249	-33.2
Total	2,595,943	2,675,065	-79,122	-3.0

Competing Market: Grain

\$/st



Some barges have been pushed instead to the Ohio river but that waterway is fairly slow, with more offers than bids on freight.

- The past week brought severe cold to virtually the entire US east of the Rockies with the exception of peninsular Florida. Despite the cold, damage to the winter wheat crop has been limited because of four inches or more of snowpack in most key producing regions, Commodity Weather Group said.
- Ice has formed along the Illinois river, making it difficult for barges to pass through quickly. Ice around Peoria and Pekin, Illinois, has forced operators to break a path through the river so barges can move.
- The poor river conditions have helped push grain barge rates higher during the last few weeks, particularly for St Louis loadings.
- Water levels at the St Louis hub on the Mississippi river are lower than a few months ago and barge operators have been forced to load less grain. The river gauge at St. Louis measured 3.5ft today.

US coal exports slipping towards four-year low

US coal exports are likely to fall in 2015 because sellers are finding it increasingly difficult to compete with international competitors now that European delivered coal prices have hit their lowest prices in nearly a decade.

European delivered coal prices last week slipped to a fresh nine-year low. *Argus'* assessment of the spot coal price, sold for delivery within 90 days CIF Amsterdam-Rotterdam-Antwerp (ARA), closed at \$55.49/metric tonne — the lowest since 26 January 2006. Yesterday that coal closed at \$53.62/t.

Other factors are at work at tempering US coal exports. Some long-term coal sales contracts have rolled off, seaborne pricing is expected to remain low and the dollar's strength against other currencies is making US coal more expensive for international customers.

Shipments drop

US coal exports slipped again in November from a year earlier, keeping shipments on track to hit their lowest level since the start of the decade.

Full-year 2014 data from the US Census Bureau has not been released, but November figures highlight what is likely to occur.

A total of 90.4mn short tons (82mn metric tonnes) of coal was sent through US ports in the first 11 months of last year, the least since 2010, according to the census bureau. Coal volume fell to 7.5mn st in November, from 8.5mn st in the same month of 2013.

US producers and sellers focused more on domestic customers or trimmed production last year amid persistently low seaborne pricing. At the current pace, even if December shipments follow the typical pattern of being higher than November, US exports likely ended last year below 100mn st for the first time since 2010.

Coking coal volumes fell to 4.8mn st in November from just over 5mn st a year earlier. For the first 11

months of this year they totaled 58.3mn st, 3.9pc lower than in the same period of 2013 and the least since 2010's 51.2mn st.

Steam coal shipments plunged by 23pc in November to 2.7mn st. Year-to-date they were a third lower than in the same period of 2013, totaling 32.1mn st.

Thermal exports to every continent except South America were down in November. Europe, the US' biggest customer, took 1.6mn st, compared with 2mn st a year earlier. On a year to date basis, shipments plunged by 43pc to 15.3mn st.

The US shipped 512,623st of steam coal to other North American countries two months ago, down from 685,726st in 2013, and year-to-date volumes fell by 14pc to 5.5mn st. Exports to Asia sank to 332,539st from 510,769st a year earlier and were down by 12pc in the first 11 months of 2014, at 7.9mn st.

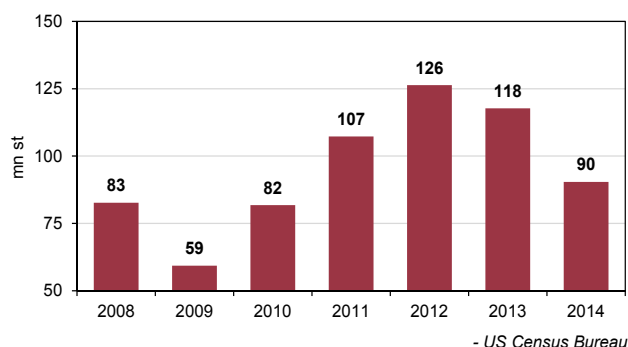
Coking coal shipments to Europe, the biggest destination for US product, rose most of last year and climbed to 2.6mn st in November from about 2.1mn st in the same month of 2013. But the gains have been offset by decreases in volumes to Asia-Pacific, South America and other North American countries.

Metallurgical coal shipments to Asia-Pacific fell to 980,517st in November, from 1.7mn st a year earlier. Year-to-date they dropped to 14.6mn st from 21.1mn st.

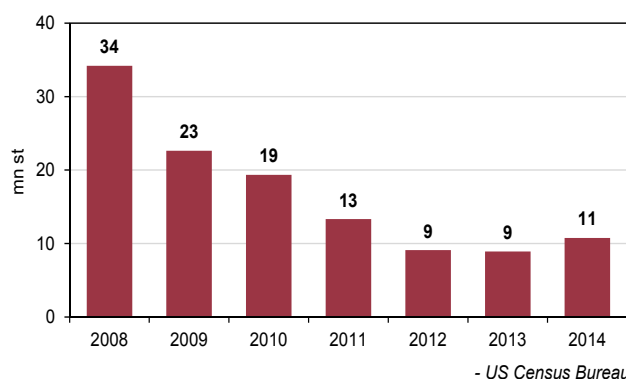
North American countries outside the US took 618,645st of coking coal in November, down from 760,195st in 2013. Year-to-date shipments fell to 5.89mn st from 6.36mn st. Exports to South America increased to 505,460st in November from 460,616st but were still down on a year-to-date basis at 7.5mn st from 8.2mn st a year earlier.

US imports rose in November to 1mn st from 849,573st in 2013. Volumes totaled 1.1mn st year to date, the most since 2011.

US coal exports



US coal imports



Key permit overturned for Louisiana coal terminal

Ram Terminals' proposed coal export facility in Louisiana hit a major snag late last month after a state court overturned a key permit for the project.

Judge Kevin Conner of the 25th judicial district court in Plaquemines Parish ruled on 23 December that the Louisiana Department of Natural Resources "failed to fully investigate alternative sites" for the terminal in granting a coastal use permit in September 2013. He also said the agency did not determine what other commodities besides coal could be moved by rail to the facility.

"[The department] deferred to Ram's assertion, unsupported by any actual evidence, that alternative sites were not feasible," the order stated.

The proposed facility, which is just south of milepost 61 on the Mississippi river, will be located near Louisiana's first major wetlands restoration project, the Mid-Barataria Sediment Diversion. But the court said Ram's alternative site analysis did not consider all viable alternatives and their economic impacts and was mainly a "recitation of the company's business decision to purchase the selected site based on its economic potential."

The court also questioned the department's claim that no alternative project site was feasible because the chosen location granted rail access to the terminal. In its permit application, Ram said it expected "limited utilization" of the

rail facility - averaging zero to three trains/week - because of limp export demand for US coal. It also mentioned using the line to move other commodities, including alternative fuels and agricultural products.

The court said if the rail line is hardly used it should not have been a primary factor in the site selection. It also said the agency breached its duty under coastal use guidelines and the Louisiana state constitution by not fully investigating what products will move on the rail line, particularly given its proximity to environmentally sensitive areas.

Ram Terminals did not respond to requests for comment.

The project has received other key permits. In November, the US Army Corps of Engineers granted a permit under Section 10 of the Rivers and Harbors Act and another under Section 404 of the Clean Water Act. The first permit authorizes construction of bridges, causeways and other structures in US waterways, while the other governs the discharge of dredged or fill material into navigable waterways.

The project also received its water quality certification from the Louisiana Department of Environmental Quality.

The facility is being designed with initial loading capacity of 6mn-9mn short tons/yr (5.4mn-8.2mn metric tonnes/yr). But a downturn in seaborne coal markets has curtailed US coal exports, especially out of the US Gulf.

EKPC, AEP buy Central App barge coal

East Kentucky Power Cooperative (EKPC) and American Electric Power (AEP) signed contracts in October and November to buy more than 425,000 short tons (385,554 metric tonnes) of mostly barge-delivered Appalachian coal between the end of last year and June 2015, regulatory filings show.

EKPC agreed in November to buy 90,000st of coal from River Trading for delivery from 1 January through 30 June 2015 at 190.22¢/mmBtu (\$43.75/st) FOB barge for coal with a minimum 11,500 Btu/lb, maximum 6lb SO₂/mmBtu, 13pc ash and 10pc moisture. Product will be loaded at the Docks Creek River terminal in West Virginia, milepost 6.4 on the Big Sandy River, for the Spurlock units 1 and 2.

The power cooperative also agreed to let Patriot Coal substitute 144,000st of coal from its Blue Creek surface mine in southern West Virginia for coal initially sourced from the Highland mine in west Kentucky.

Deliveries from 1 November through 31 December 2014 were priced at 267.15¢/mmBtu (\$64.12/st) FOB barge for November and December for coal with minimum 12,000 Btu/lb, maximum 6lb SO₂/mmBtu,

9pc moisture and 14pc ash. Prices for remaining deliveries, through 30 April 2015, were to be determined. Coal will be loaded at the Quincy Dock, milepost 73.1 on the Kanawha river.

Kentucky Power agreed to take 31,000st from Patriot's Blue Creek complex in the last two months of 2014 at \$50/st FOB barge at the Quincy dock for coal with a contracted monthly minimum 12,000 Btu/lb, maximum 1.45lb SO₂/mmBtu, 7pc moisture and 13pc ash.

Louisville Gas & Electric (LG&E) and Kentucky Utilities (KU) signed an agreement with River Trading in October for a limited purchase of 50,000st of coal from Pritchard Mining's surface mine No. 2 in Kanawha County, West Virginia, delivered this year. It will pay \$31.75/st FOB barge River Point dock, milepost 69.1 on the Kanawha river, for coal with minimum 9,100 Btu/lb, maximum 2.22lb SO₂/mmBtu, 29pc ash and 8pc moisture.

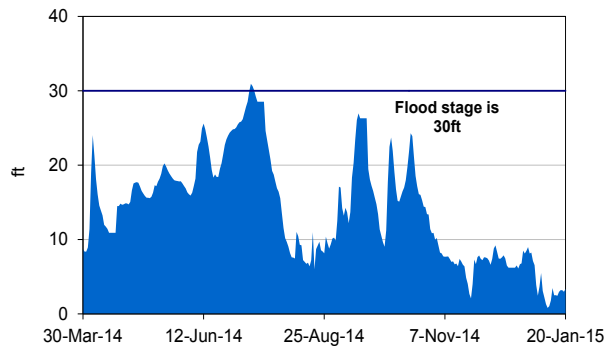
The utilities extended a contract with Peabody Energy to buy 1mn st of coal this year from the producer's Somerville and Wild Boar mining operations in Indiana, paying \$41.50st FOB railcar or \$44.50/st FOB barge.

Inland waterway conditions

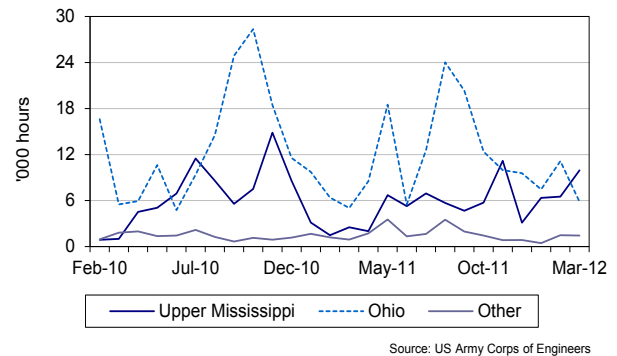


- Repairs to the Winfield lock and dam in Winfield, West Virginia, on the Kanawha river will begin late next month. Work to fix the mitre gates is expected to shut the lock for up to two months beginning about 25 February. Coal barges are expected to experience major delays. Barge operators began moving extra coal out of the region more than two months ago to help offset delayed shipments.
- Shippers of coal and petroleum coke are closely monitoring the Illinois and upper Mississippi rivers, wary that growing ice along the waterways will hamper deliveries. Thick ice forces barges to move slower and can damage barges and towboats.
- Ice has built up on much of the Illinois river. In some areas such as Peoria, Illinois, barges have broken a path through the ice but can only pass the area one direction at a time.
- Repairs to the main chamber of Lock and Dam No. 27 near Granite City, Illinois, will begin 29 January and are expected to run through 13 February. Barge traffic to and from the Illinois river will be delayed.

Mississippi River stage at St. Louis

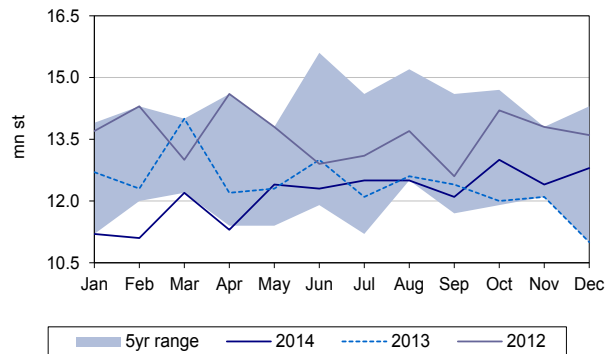


Inland barge monthly lockage delays

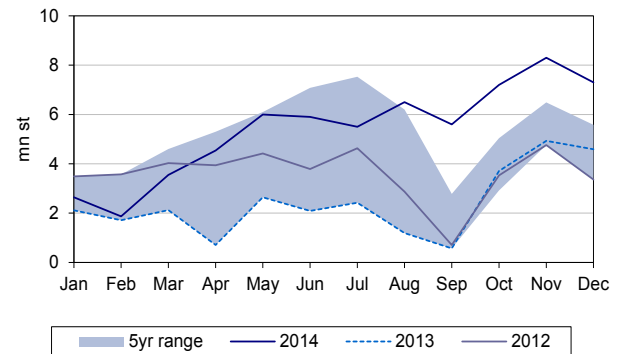


Source: US Army Corps of Engineers

Corps monthly coal tonnage indicator



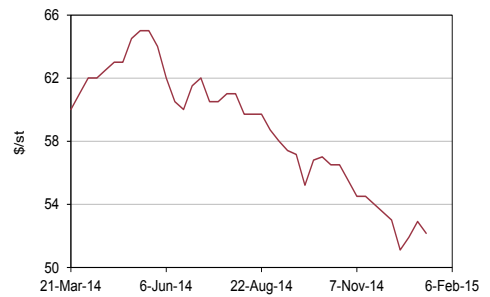
Corps monthly grain tonnage indicator



Delivered SO₂-adjusted coal prices

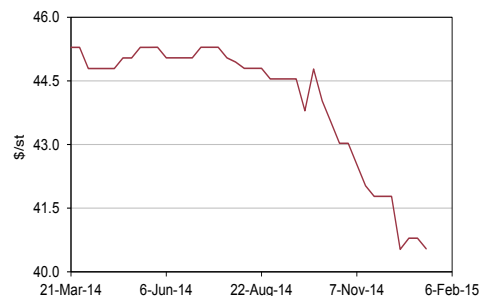
\$/st

Hub	SO ₂ Adj.							
Central Appalachia Rail		East Coast Export	Carolinas	SW Ohio	Florida	New York	US southeast	TVA
Big Sandy/CSX Rail 12,500 1.2	55.51	72.08	87.63	75.65	92.23	82.98	85.05	81.34
Big Sandy/CSX Rail 12,500 1.6	52.02	68.59	84.14	72.16	88.74	79.48	81.56	77.84
Big Sandy/CSX Rail 12,500 2.0	49.02	65.59	81.14	69.16	85.74	76.48	78.56	74.85
Powder River Basin		ERCOT	St. Louis region	US southeast	SW Ohio	TVA	Superior Terminal	
FOB Mine/Rail 8,800 0.8	12.46	47.67	39.16	50.94	43.83	47.42	34.92	
FOB Mine/Rail 8,400 0.8	9.81	45.02	36.51	48.29	41.18	44.77	32.27	
Central Appalachia Barge		Pittsburgh	SW Ohio	St. Louis				
Nymex Spec Barge 12,000 1%	52.17	63.17	61.92	72.67				
Pittsburgh Seam		Florida	New York					
Fob Mine 13,000 3.5	51.53	92.25	76.68					
Fob Mine 13,000 4.5	50.34	91.06	75.49					
Fob Mine 12,500 6.0	44.06	84.77	69.20					
Illinois Basin		SW Ohio	Illinois Basin	Gulf Coast Export	US southeast	Florida		
Illinois/Indiana Mine 11,500 5.0	35.54	50.07	46.45	58.54	70.37	75.06		
Illinois/Indiana Mine 11,000 >6.0	34.05	48.58	44.96	57.05	68.88	73.57		
Colorado/Utah		TVA	St. Louis					
Green River Basin 11,300	28.76	62.71	59.41					
Uinta Basin, Utah 11,700	41.26	75.21	71.91					

SO₂-adjusted NYMEX-spec

Delivered SO₂-adjusted coal prices

\$/mmBtu

Hub	SO ₂ Adj.							
Central Appalachia Rail		East Coast Export	Carolinas	SW Ohio	Florida	New York	US southeast	TVA
Big Sandy/CSX Rail 12,500 1.2	2.22	2.88	3.51	3.03	3.69	3.32	3.40	3.25
Big Sandy/CSX Rail 12,500 1.6	2.08	2.74	3.37	2.89	3.55	3.18	3.26	3.11
Big Sandy/CSX Rail 12,500 2.0	1.96	2.62	3.25	2.77	3.43	3.06	3.14	2.99
Powder River Basin		ERCOT	St. Louis region	US southeast	SW Ohio	TVA	Superior Terminal	
FOB Mine/Rail 8,800 0.8	0.71	2.71	2.23	2.89	2.49	2.69	1.98	
FOB Mine/Rail 8,400 0.8	0.58	2.68	2.17	2.87	2.45	2.66	1.92	
Central Appalachia Barge		Pittsburgh	SW Ohio	St. Louis				
Nymex Spec Barge 12,000 1%	2.17	2.63	2.58	3.03				
Pittsburgh Seam		Florida	New York					
Fob Mine 13,000 3.5	1.98	3.55	2.95					
Fob Mine 13,000 4.5	1.94	3.50	2.90					
Fob Mine 12,500 6.0	1.76	3.39	2.77					
Illinois Basin		SW Ohio	Illinois Basin	Gulf Coast Export	US southeast	Florida		
Illinois/Indiana Mine 11,500 5.0	1.59	2.18	2.02	2.55	3.06	3.26		
Illinois/Indiana Mine 11,000 >6.0	1.55	2.21	2.04	2.59	3.13	3.34		
Colorado/Utah		TVA	St. Louis					
Green River Basin 11,300	1.30	2.77	2.63					
Uinta Basin, Utah 11,700	1.76	3.21	3.07					

SO₂-adjusted Ohio R/KY barge 11,500 5.0


Average train speeds (mph)		Source: AAR, CN						
		Week ended 9-Jan-15	Week ended 10-Jan-14	Change	4 weeks ended 9-Jan-15	4 weeks ended 10-Jan-14	Change	Percent change
BNSF	Coal	17.6	19.2	-1.6	18.8	19.6	-0.8	-4.1%
	All	23.2	23.3	-0.1	23.3	23.2	0.1	0.4%
CSX	Coal	19.4	18.5	0.9	18.6	19.4	-0.8	-4.1%
	All	22.2	21.9	0.3	21.8	22.8	-1.0	-4.4%
KCS	Coal	24.7	26.1	-1.4	25.4	26.9	-1.5	-5.6%
	All	26.6	28.1	-1.5	26.9	28.3	-1.4	-4.9%
NS	Coal	15.8	17.4	-1.6	16.2	17.9	-1.7	-9.5%
	All	21.2	22.1	-0.9	20.8	23.1	-2.3	-10.0%
UP	Coal	24.1	26.3	-2.2	24.5	26.8	-2.3	-8.6%
	All	24.6	26.0	-1.4	24.4	26.2	-1.8	-6.9%
CN	Coal	26.0	25.8	0.2	26.0	25.4	0.6	2.4%
	All	25.3	22.8	2.5	25.7	23.5	2.2	9.4%
CP	Coal	16.6	16.3	0.3	18.4	14.8	3.6	24.3%
	All	19.1	15.7	3.4	19.4	15.8	3.6	22.8%

Freight cars on line		Source: AAR, CN						
		Week ended 9-Jan-15	Week ended 10-Jan-14	Change	4 weeks ended 9-Jan-15	4 weeks ended 10-Jan-14	Change	Percent change
BNSF	Open top hopper	67,793	63,995	3,798	67,367	63,690	3,677	6%
	Gondola	8,325	8,372	-47	8,541	8,468	73	1%
	Total Cars	240,448	218,793	21,655	245,625	224,194	21,431	10%
CSX	Open top hopper	48,952	44,144	4,808	49,733	44,610	5,123	12%
	Gondola	13,730	14,285	-555	14,171	14,601	-431	-3%
	Total Cars	199,355	181,890	17,465	202,928	181,894	21,033	12%
KCS	Open top hopper	3,289	3,717	-428	3,437	3,771	-334	-9%
	Gondola	5,692	5,131	561	5,622	5,085	537	11%
	Total Cars	50,266	44,147	6,119	49,179	44,106	5,074	12%
NS	Open top hopper	39,213	37,052	2,161	39,504	37,238	2,266	6%
	Gondola	16,013	16,877	-864	16,505	16,560	-55	-0%
	Total Cars	189,361	162,314	27,047	189,281	158,973	30,309	19%
UP	Open top hopper	46,618	43,204	3,414	46,596	43,590	3,006	7%
	Gondola	12,595	11,086	1,509	12,216	11,123	1,094	10%
	Total Cars	297,654	251,817	45,837	297,738	254,480	43,258	17%
CN	Open top hopper	14,550	15,260	-710	14,563	15,242	-679	-5%
	Gondola	8,294	8,429	-135	8,426	8,427	-1	0%
	Total Cars	146,195	130,733	15,462	147,467	130,515	16,952	13%
CP	Open top hopper	6,450	7,139	-689	6,529	6,955	-426	-6%
	Gondola	4,730	4,527	203	4,861	4,563	298	7%
	Total Cars	85,502	81,122	4,380	87,595	80,757	6,838	9%

Freight rates				\$/mt
	Price	Change	4-week average	
US North of Cape Hatteras to				
ARA panamax	7.50	-0.50	8.18	
Japan panamax	23.00	-2.50	25.88	
ARA capesize	7.50	+0.65	6.98	
West Coast North America to				
Japan panamax	14.00	-3.00	17.38	
Puerto Bolivar to				
ARA panamax	8.70	-0.80	9.80	
US Gulf panamax	5.25	-0.25	5.56	
US Gulf Coast to				
ARA panamax	10.75	-0.25	11.14	

US east coast-ARA freight rates

Date	Panamax (\$/mt)	Capesize (\$/mt)
21-Mar-14	10.5	11.0
04-Apr-14	11.5	14.0
18-Apr-14	9.0	10.0
03-May-14	8.5	9.0
17-May-14	9.5	9.5
31-May-14	10.0	9.0
14-Jun-14	9.0	10.0
28-Jun-14	8.5	9.5
12-Jul-14	9.5	10.5
26-Jul-14	10.0	9.0
09-Aug-14	10.5	10.5
23-Aug-14	9.5	10.0
06-Sep-14	9.0	10.5
20-Sep-14	9.5	9.0
04-Oct-14	10.0	10.0
18-Oct-14	11.0	14.0
31-Oct-14	11.0	11.0
14-Nov-14	10.5	8.5
28-Nov-14	9.5	7.5
12-Dec-14	8.5	6.5
26-Dec-14	8.0	6.0
09-Jan-15	8.5	6.5

US east coast-ARA freight rates

