

News Release

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Seminole Files Evidence with Federal Railroad Regulators Proving Overcharges by CSXT

August 31, 2009 - Tampa, FL -- Seminole Electric Cooperative, Inc. today filed evidence with the federal Surface Transportation Board (STB) demonstrating that since January 1, 2009, CSX Transportation, Inc. (CSXT) has been severely overcharging Seminole, its owner-member cooperatives, and their members' consumers for coal transportation service. CSXT transports coal from the Illinois Basin and Appalachia to the Seminole Generating Station near Palatka, Florida.

Seminole's evidence was filed in a proceeding under the STB's Coal Rate Guidelines, which began in October, 2008 when Seminole filed a complaint challenging the rates that CSXT proposed at the time for application to Seminole's coal fuel requirements. The rates went into effect over Seminole's objection, on January 1, 2009.

In its evidence filed today, Seminole shows that the CSXT rates from the Illinois Basin and Appalachia mines are 68% to 101% higher than the maximum levels under the STB's Guidelines. The CSXT rates on certain shipments from Charleston, SC are more than 240% higher than the lawful maximum.

"Fuel transportation costs are a major component of the total cost of energy, which is a critical issue for the consumers and businesses that we and our member cooperatives serve," said Seminole CEO Tim Woodbury.

"Our evidence shows that for transportation from one of our principal coal sources, for example, CSXT is charging more than \$40.00 per ton for a service that should cost our consumers less than \$20.50 per ton. The levels of overcharges from other origins are similar. This is the consequence of CSXT's monopoly over coal transportation to our station and highlights why we need effective regulatory relief from the STB."

Seminole is a generation and transmission cooperative headquartered in Tampa, Florida. Its 10 member distribution cooperatives together provide retail electric service to more than 1.7 million individuals and businesses across 46 of Florida's 67 counties.