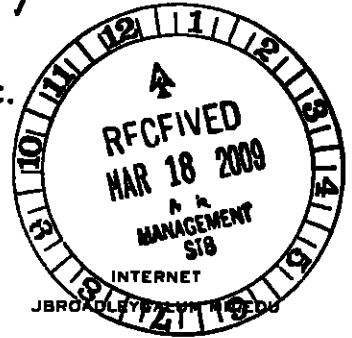


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March 18, 2009

JOHN H BROADLEY

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Public Record

Honorable Anne K Quinlan
Acting Secretary
Surface Transportation Board
395 E Street SW
Washington, D C 20423

Re Finance Docket No 35181, The Indiana Rail Road Company--Petition for
Declaratory Order

Dear Ms Quinlan

The Indiana Rail Road Company ("INRD") filed the subject Petition for Declaratory Order on October 6, 2008 asking the Board to declare that INRD's construction of a track from its main line at Dugger, IN to Peabody Energy Company's proposed Bear Run pit would be a "spur" track subject to the exemption contained in 49 U S C 10906

On December 2, 2008 the Board commenced a declaratory order proceeding and published a Federal Register notice that called for public comments to be submitted by January 16, 2009 and for any reply to such comments to be submitted by February 5, 2009 See 73 FR 73384, December 2, 2008 No public comments were submitted in response to the Federal Register notice and accordingly INRD did not submit reply comments

On March 17, 2009 Peabody Energy announced that it had entered into long-term coal supply agreements for more than 90 million tons of coal which will allow development of the Bear Run pit Peabody announced that it will commence operation in the second half of this year and will ramp up production from that point, ultimately investing between \$350 and \$400 million in the project which will have a capacity of 8 million tons per year The Peabody Bear Run project will ultimately employ 350 workers and contribute approximately \$140 million in regional economic benefits I have attached a copy of Peabody Energy's press release to this letter

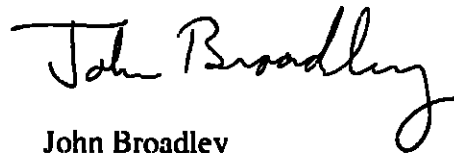
INRD urgently needs Board action on its pending Petition for a Declaratory Order in order to commence construction of a spur track line into the Bear Run facility so that the production can be moved safely and economically by rail to utilities in the region With the Board's issuance of a declaratory order confirming INRD's belief that this track is an exempt

Honorable Anne K. Quinlan
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spur track under 49 U.S.C. 10906, the \$9 - \$12 million project will be "shovel ready" and INRD will begin construction by the end of April

Accordingly, INRD hereby requests that the Board expedite its decision on the pending petition for declaratory order to permit this important project for central Indiana to proceed without delay

Yours very truly,

A handwritten signature in black ink that reads "John Broadley". The signature is written in a cursive style with a large, looping "J" and a long, sweeping underline.

John Broadley

Enclosure

Nobody commented so there are no parties to serve

Peabody Energy Announces Long-Term Coal Supply Agreements Totaling Nearly \$6 Billion in Revenues From Major New Mine in Indiana

ST LOUIS, March 17 /PRNewswire-FirstCall/ -- Peabody Energy (NYSE: BTU) today announced it has entered into long-term coal supply agreements for more than 90 million tons of coal, which will allow development of the Bear Run Mine in Sullivan County, Indiana

Bear Run will be the largest surface coal mine in the Eastern United States, with expected capacity of approximately 8 million tons of coal annually. The mine will initially supply two major Midwestern electricity generators under long-term contracts with terms of up to 17 years, which together are expected to generate nearly \$6 billion in revenues.

"Long-term coal demand continues to grow. We are the largest producer and reserve holder in the Illinois Basin, which is one of the fastest-growing coal regions. We are pleased to be partnering with our customers to meet their energy needs and develop a major new coal mine," said Peabody Chairman and Chief Executive Officer Gregory H. Boyce. "Peabody's history as a reliable supplier of affordable fuel, combined with our leading production and reserve position and financial strength, provided us the opportunity to secure some of the largest coal supply agreements in Peabody's history and develop this world-class operation to serve growing customer needs."

The Bear Run operation will commence in the second half of this year, and is expected to produce 2 to 3 million tons in 2010 and ramp up thereafter. Approximately \$350 to \$400 million in capital will be invested over several years to bring the mine to its 8 million ton per year capacity. Bear Run will employ approximately 350 skilled workers and would annually contribute approximately \$140 million in regional economic benefits.

"Coal is the key to American energy independence and to the affordable power in which Indiana's future prosperity depends. This is great job news in the near and long term," said Indiana Governor Mitch Daniels

Peabody Energy (NYSE: BTU) is the world's largest private-sector coal company, with 2008 sales of 256 million tons and \$6.6 billion in revenues. Its coal products fuel 10 percent of all U.S. electricity generation and 2 percent of worldwide electricity.

CONTACT:
Beth Sutton
(928) 522-7008

SOURCE Peabody Energy