

BethEnergy to cut at Cambria 33

In a move that wasn't exactly a surprise considering its troubled recent history, BethEnergy last week said it may shut its Cambria 33 mine in Pennsylvania.

Cambria 33 has been beset by production problems and high costs, and BethEnergy has instituted several employee cutbacks there in the last couple of years (CO 11/8/93, 8/23/93, 12/28/92).

One source said that coal has been priced at about \$50/ton FOB mine, well above the market. The mine once had as many as four longwalls operating, but lately has been operating with only two. The longwalls tap the "B" and "C prime" coal seams, with that coal later blended for use.

Lay-offs are due to begin around May 14 and will continue into June. Up to 250 employees remain after the earlier layoffs and might be affected, with just over 200 of them represented by the United Mine Workers union. BethEnergy said it is possible the mine might not be closed entirely.

Output lately had been about 1 million tons/yr, with about three quarters of that going to BethEnergy parent Bethlehem Steel for the Burns Harbor, Lackawanna and Bethlehem coke works. Sources indicate Bethlehem Steel has already lined up replacement coals. The remaining production has been sold on the domestic steam and export met markets.

An official of the Pennsylvania Commerce Dept. said last week it is too early to tell if the state will try and mount an effort to find someone to buy and operate Cambria 33, like it has for U.S. Steel's recently-shut Maple Creek mine (see brief, page 3).

Big Sandy docks had record year

Eleven coal-loading docks — packed elbow to elbow along a mere four-mile stretch of the Big Sandy River — last year dumped a record 21.7 million tons of coal mined in Kentucky and West Virginia.

That compares to 19.9 million tons loaded in 1992, 14.3 million tons in 1989 and 802,000 tons loaded in 1978, the first full year that coal barges plied the Big Sandy. (These figures were compiled by the Big Sandy Improvement Committee.)

Last year's increase is attributed in large part to the United Mine Workers strike, which forced some end users to seek coal from non-traditional sources. One of the major alternatives was the Big Sandy docks, whose tonnage is believed to come from mostly non-union mines.

It is not clear how much more coal the Big Sandy docks can handle, but numerous sources figure they

after EPA puts out final rules on the opt-in program.

As part of this process, early last week Alcoa finished a burn of unble low-sulfur coal in Unit 3. That was a 90,000-ton shipment ordered earlier Ashland Coal (CO 2/21). Belwood said the burn generally went well, though were "a few surprises." The test results are still being evaluated and any future moves, like testing any other coals, will depend on how that process turns out.

Alcoa co-owns the fourth unit with Southern Indiana Gas & Electric that unit is going to a lower-sulfur coal to comply with the clean-air law. Low-sulfur coal is also currently used in small quantities in a blend at Units 1-4 to help Alcoa meet state clean-air standards.

Alcoa has been talking with NOXSO Corp. about using an advanced scrubber on one unit at Warrick, at least preserving high-sulfur coal use in that unit. High-sulfur coal for the plant now comes from Peabody Coal's Seelye Creek mine. But recently the Indiana Legislature failed to pass a bill that would have provided funding to the NOXSO project (CO 3/14). NOXSO officials still hope they can strike a deal with Alcoa. Belwood said he could comment on the status of any talks with NOXSO.

Savage to market use of CV Spur in Utah

Savage Industries of Salt Lake City has agreed in principle to purchase Castle Valley (CV) Spur unit-train loadout and coal storage terminal located on the Southern Pacific railroad near Price, Utah.

ARCO's Mountain Coal unit put the facility on the market last fall (CO 10/19/93). During a due diligence period Savage will market the facility to coal producers and end users. "We are starting into an active effort to ascertain the potential for CV Spur," said Dave Wolach, executive vice president at Savage. "Market forces in the Midwest and East, coupled with the rapid productivity advances of Utah coal, could lead to substantial tonnage increases for Utah." If certain conditions are met, Savage could begin operating CV Spur in May.

CV Spur can transload more than 5 million tons/yr. It can load a unit train in two hours. It has 300,000 tons of live storage, a 500 tph plant and a 10,000-ton silo. Savage plans to enhance storage and blending capabilities and install weigh-in-motion scales.

Mountain Coal no longer needs CV Spur since it sold its Trail Mountain mine to PacifiCorp (CO 8/16).

Savage moves 30 million tons of bulk commodities annually, including coal. It has 35 active operations in 15 states.

Credit sell-off possible by Georgia Power

The Georgia Public Service Commission is nearing a decision that the United Mine Workers union hopes will prompt Georgia Power to sell hundreds of thousands of Phase-1 emissions credits.

The commission was tentatively scheduled to vote on Georgia Power's clean-air plan last week. But it decided to delay a vote until at least April 5.

Pam do we have any direct info on this? could you call and discuss permit transfer requirements with Mtn Coal. Follow up with a letter if all be!
Fry
June 3-29

Phil Schmidt 3/30

303-505-
929-5015

→ Permit Transfer
Attorneys
Permits
Coal. Prod in
Mtn. Coal