

## Buffett's BNSF buy makes sense

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GILLETTE, Wyo. — Warren Buffett's purchase of BNSF Railway is no surprise considering his interests in energy production, including coal-fired power plants in the Midwest that get their coal from the Powder River Basin.

Berkshire Hathaway, Buffett's holding company, bought the nation's second largest railroad company for \$34 billion Tuesday.

Buffett told reporters that the move was "an all-in wager on the economic future of the United States."

Coal from Powder River Basin in Campbell County is no small part of that wager. Hauling coal accounted for about 25 percent of BNSF's third-quarter revenue.

The move to buy BNSF fits in with Buffett's stake in American energy production. Berkshire Hathaway owns 11 coal-fired power plants in the Midwest through its subsidiary, Mid-American Energy. Control of BNSF will give the company the transportation infrastructure to carry coal from the Powder River Basin to its power plants in the Midwest.

Mid-American Energy also owns Rocky Mountain Power, which owns part of the Wyodak power plant east of Gillette.

Along with its domestic production, The Wall Street Journal reports that coal shipments from the Powder River Basin are among the growth areas for the company. That coal can travel to western ports, where it can be shipped by boat to China.

The Wyoming Business Report reported Tuesday that more than 10 percent of the electricity produced in the United States is generated from coal hauled by BNSF, and more than 90 percent of that coal comes from Wyoming's Powder River Basin.

Berkshire Hathaway also owns 9.56 million shares of Union Pacific, the other major railroad company in the Powder River Basin. But the company will have to get rid of those shares prior to taking over BNSF.