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July 31, 2008

Ms. Patricia A. Schaub
Acting Director
Office of External Affairs
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

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RECEIVED-DOCKETING DIV

Re: REX Pipeline Certificate Issued By FERC (May 30, 2008)

Dear Ms. Schaub:

We write to you in response to your letter of July 10, 2008, sent to The Honorable Jon A. Husted, Speaker of the Ohio House of Representatives, concerning the Rockies Express East Pipeline Project (FERC Docket No. CP07-208-000). We only recently became aware of your letter, and, accordingly, we are now responding to it. Because this matter is of vital importance to Murray Energy and its independent subsidiary companies, which together produce over one-half of the coal produced in the State of Ohio, we must respond to clarify and correct some statements in your letter.

Murray Energy is very appreciative of the important conditions placed by the Commission in the May 30, 2008 Order issuing the Certificate for the Rockies Express-East Pipeline Project, which conditions are protective of the ongoing and future coal mining operations of Murray Energy in Belmont and Monroe Counties in eastern Ohio. In particular, we are especially appreciative of Environmental Condition 147 as set forth in Paragraph 97 of the Commission's Order. It imposed a mitigation plan requirement and mitigation costs on REX, and stated further that the plan must ensure that "existing and future mining activities" are not compromised. In addition, it imposed a new condition that the mining plan must be developed in collaboration with the Murray Companies. Notably, FERC ordered that if such a plan cannot be developed, FERC will require an alternative route that avoids construction through the mining reserves, as explained in the excerpts immediately below:

97. Nevertheless, we recognize that the differences in technical opinions provided by Rockies Express and the Murray Companies cannot be resolved at this time. Thus, we will adopt a new condition that was not in the final EIS - Environmental Condition 147 - requiring that Rockies Express collaborate with the Murray Companies to develop a construction and operation plan for the segment of pipeline between MPs 621 and 635 that ensures the integrity of the pipeline and does not compromise existing or future mining activities by the Murray Companies. If a plan cannot be developed, we will require that Rockies Express develop and file with the

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Secretary of the Commission (Secretary) an alternative route that avoids construction through the mining reserves of the Murray Companies.

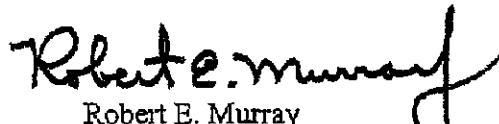
Your letter of July 10, 2008, does contain a material misstatement, which I presume was inadvertent or incorrectly communicated to you. It requires a correction. Specifically, your letter stated that the "area crossed is not currently being mined, however, the Murray Companies hold mining rights that underlie the area and indicated that mining could occur in the future." In fact, as the Murray Energy submissions to FERC have stated repeatedly, the proposed Rockies Express-East Pipeline Project route would run right through the heart of our *active underground coal mining* operations, as well as future coal reserves which are to be mined.

Furthermore, your letter of July 10 was potentially confusing to the public on the question of whether an alternative route is still being considered to avoid our active coal mine and reserves. Your letter stated that the Commission "did not recommend the alternative route" to avoid the mine property, but as Paragraph 97 of the Commissions Order quoted above makes clear, the issue of whether an alternative route will be required remains an active pending issue yet to be decided. In particular, the Commission's Order quoted above makes it clear that if an acceptable construction and operation plan cannot be developed, that "we will require that Rockies Express develop and file with the Secretary of the Commission ... an alternative route that avoids construction through the mining reserves of the Murray Companies." Although your letter acknowledged this important point, it is important to clarify that the alternative route issue remains very much a pending and live issue to be resolved by the parties and FERC. Murray Energy has provided Rockies Express with detailed alternative routes which would entail minimal net increases to the pipeline route and resource disturbance, *i.e.*, far less than the 12 to 15 mile estimate which Rockies Express previously provided to FERC. In particular, it remains the clear position of Murray Energy that the alternative route is the only demonstrated and feasible plan that will facilitate the REX pipeline project, serve the public interest, and protect the interests of Murray Energy and the millions of individuals and businesses who are dependent upon the electric power generated by the ongoing production of coal from this existing active coal mine and our future mining.

Thank you.

Sincerely,

MURRAY ENERGY CORPORATION



Robert E. Murray
Chairman, President & Chief Executive Officer

REM:lh

cc: The Honorable Jon A. Husted,
Speaker
Ohio House of Representatives