



Peabody

**Cell:** D11

**Comment:** Rick Heede:

Coal production by coal mining companies and state-owned enterprises, including subsidiaries of oil and gas companies.

Coal types produced are not ordinarily reported by coal operators (except for metallurgical coal). We distinguish, where possible and reasonably well known, between hard (bituminous and subbituminous) and soft (lignite or peat) coals, especially for the larger companies operating in regions such as Australia and India where soft coals are predominant. Soft coals have lower carbon content per tonne than do hard coals.

**Cell:** D15

**Comment:** Rick Heede:

Peabody and Company was founded in 1883 by Francis S. Peabody as a coal sales and delivery service in Chicago. Peabody Coal Company opened its first mine in 1885.

Peabody (then America's eight largest producer) merged with Sinclair Coal Company in 1954, the nation's third largest producer. Kennecott acquired Peabody in 1968, but an anti-trust suit forced its divestiture in 1976 (to Peabody Holding Company, for \$1.1 billion).

For subsequent company history, see [peabodyenergy.com](http://peabodyenergy.com) and Jay Pederson (editor) (2000) International Directory of Company Histories.

**Cell:** E15

**Comment:** Rick Heede:

"Merged" with Peabody in 1954.

**Cell:** G15

**Comment:** Rick Heede:

Peabody Energy acquired Black Beauty Coal Company in 2002. Oligopoly Watch, [www.oligopolywatch.com/2003/09/21.html](http://www.oligopolywatch.com/2003/09/21.html)

**Cell:** E18

**Comment:** Rick Heede:

Keystone Coal Buyers Manual with data for 1945, 1957, and 1958, for production from the "50 Largest Bituminous Coal Mines in the U.S.", p. 421. CMS lists production from one mine only -- St. Ellen in Illinois -- and production from another (Ken, in Kentucky) opened in 1948.

**Cell:** D23

**Comment:** Rick Heede:

Coal production data for 1950 through tk from Peabody Coal Company (various) Annual Reports. Some years report both "own production" plus "sales for others" -- this latter ranges from 0.68 million tons in 1953 to 1.3 million tons in 1960 and 3.2 Mt in 1963. We report only Peabody's own production here.

**Cell:** E25

**Comment:** Rick Heede:

Peabody reports both tons of coal sold from both its own mines and "for others." CMS reports only sales from "own production."

**Cell:** D40

**Comment:** Rick Heede:

Production estimated by interpolation.

**Cell:** D41

**Comment:** Rick Heede:

Peabody was bought by Kennecott, but an anti-trust suit forced its divestment in 1976 (purchased for \$1.1 billion by Peabody Holding Company).

**Cell:** D42

**Comment:** Rick Heede:

Data for 1969-1993 from Key Stone Coal Industry Manual (various).

**Cell:** D63

**Comment:** Rick Heede:

Peabody Annual Rpt 2003, page 4, coal sales in millin tons for 1990, 1995, 2000, and 2003.

**Cell:** M65

**Comment:** Rick Heede:

Not added to total sales.

**Cell:** G67

**Comment:** Rick Heede:

Black Beauty coal production for 1994-2002 from EIA statistics (various).

**Cell:** M67

**Comment:** Rick Heede:

1994-2003 production from EIA (various) Annual Coal Report, Table 10.

**Cell:** D68

**Comment:** Rick Heede:

Peabody Annual Rpt 2003, page 4, coal sales in millin tons for 1990, 1995, 2000, and 2003.

**Cell:** D73

**Comment:** Rick Heede:

Peabody Annual Rpt 2003, page 4, coal sales in millin tons for 1990, 1995, 2000, and 2003.

**Cell:** H73

**Comment:** Rick Heede:

Coal production by Black Beauty, which was acquired by Peabody in 2002, is assumed already counted in Peabody's production totals for 2000 through 2002. Black Beauty production prior to 2000 is added to Peabody, since earlier Peabody AnnRpts could not have anticipated its acquisition.

**Cell:** D74

**Comment:** Rick Heede (Feb10):

Peabody Annual Rpt 2006, page 21: tons sold 2001-2006.

Note: the overlap of coal sold in 2004-2006 between the 2006 and 2008 Annual Reports is substantial (227 vs 200.3 million tons for 2004, respectively). The quantitative difference most likely reflects total production for operating mines that have been sold or closed in the intervening years.

**Cell:** D80

**Comment:** Rick Heede (Feb10):  
Peabody Annual Rpt 2008, page 21: tons sold 2007-2008.

**Cell:** M81

**Comment:** Rick Heede:  
Peabody (2009) Annual Report 2008, page 18, shows Western U.S. mining of 169.7 million tons, midwestern U.S. mining of 30.7 million tons, Australian mining of 23.7 million tons: total of 224.3 million tons, plus "trading and brokerage" of 31.2 million tons.

In 2007, production totaled 212.0 million tons, and "trading and brokerage" of 24.1 million tons.

"We are the largest private sector coal company in the world, with majority interests in 30 coal operations located throughout all major U.S. coal producing regions, except Appalachia, and international interests in Australia and Venezuela. In 2008, we produced 223.7 million tons of coal and sold 255.5 million tons of coal. Our U.S. sales represented 18% of U.S. coal consumption and were approximately 30% greater than the sales of our closest U.S. competitor." AnnRpt2008, page 20.

"For the year ended December 31, 2008, 82% of our total sales (by volume) were to U.S. electricity generators, 16% were to customers outside the U.S. and 2% were to the U.S. industrial sector."  
AnnRpt2008, page 20.

Peabody's Venezuelan production is not shown in their production table (reproduced elsewhere on this worksheet), totaling 4.8 million tons (or 25.5 percent thereof). "We own a 25.5% interest in Carbones del Guasare, which owns and operates the Paso Diablo Mine in Venezuela. The Paso Diablo Mine produced approximately 4.8 million tons of steam coal in 2008 for export to the U.S. and Europe." (AnnRpt 2008, p. 21).

CMS concludes that

**Cell:** D82

**Comment:** Rick Heede:  
AR 2010 pdf pg 21; "tons sold" = western US mining+midwestern US mining+Australian mining+ trading and brokerage; Note inconsistency with NMA Coal Producers Survey which shows 192 and 193.6 respectively.

CMS does not have sufficient data to deduct "trading and brokerage" from total tons coal sold, since Peabody does not report production but total sold for each year. CMS has not assumed that Peabody's "brokerage" of 11.5 percent above 2010 production of 220.5 million tons is applicable to prior years.

**Cell:** G88

**Comment:** Rick Heede (Feb10):  
More than half of Peabody's coal sales in 2006 came from the company's Powder River Basin in Wyoming (138 of 248 million tons), with a heating value of ~8,800 Btu per pound. Peabody's other mines in Colorado (10,800 Btu/lb), Midwest (10,000 to 11,200 Btu/lb), Appalachia (12,800 to 13,800 Btu/lb), and Australia (10,800 to 12,800 Btu/lb). Bituminous coal ranges from 10,500 to 15,000 Btu/lb, subbituminous from 8,500 to 12,000 Btu/lb (EIA).

For the purposes of assigning carbon content and emissions, CMS classifies Peabody's coal production as "thermal coal," running at ~10,000 Btu/lb (in 2004, and declining due to increasing production of western lower-grade coal). This may under-estimate Peabody's historical emissions insofar as Peabody has for most of its history mined bituminous coals in the east and midwest. Get date of Wyoming operations.

**Cell:** J88

**Comment:** Rick Heede:  
Based on 2008 production, in which year Peabody mined 7.05 million tons of metallurgical coal (all in Australia) of 224.3 million tons total coal sales, or 3.14 percent.

**Cell:** O88

**Comment:** Rick Heede:

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