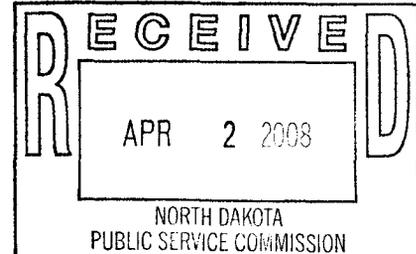


April 1, 2007

Mr. William W. Binek
Chief Counsel
North Dakota Public Service Commission
600 East Boulevard Ave, Dept 408
Bismarck, ND 58505-0480



Dear Mr. Binek:

Enclosed find the Red River Valley & Western Railroad's Annual Report. Not all the information requested in the Public Service Commission's General Annual Report has been provided. We believe the information not provided is confidential and we are very concerned about the fact that any information provided to the Public Service Commission is generally open to the public. Should the information not provided be necessary for your Public Service Commission purposes, we would request a protective confidentiality order and we would promptly provide the information.

Sincerely,


Andrew J. Thompson
President

Enclosure



ANNUAL REPORT OF CLASS II AND III RAILROADS
NORTH DAKOTA PUBLIC SERVICE COMMISSION
 SFN 14356 (03-03)

File No.

Business Name Red River Valley & Western Railroad Co.	For Year Ended 2007
Business Address P O Box 608, Wahpeton, ND 58074-0608	Business Telephone Number 701-642-8257

Instructions: Complete this form in duplicate and return the original to the ND Public Service Commission, 600 E Boulevard Ave., Dept. 408, Bismarck ND 58505-0480. Return it no later than the 15th day of the fourth month following the close of the year for which this report is filed.

General Information

1. Provide the names and addresses of owners, partners, or top five corporate officers.

Name	Address
Kent P. Shoemaker, Chairman	6566 France Ave S, #1011 Edina, MN 55435
Andrew J. Thompson, President & CEO	P O Box 608, Wahpeton, ND 58074-0608
Sharon L. Trudell, Vice-President Marketing	515 Minnesota Ave, Breckenridge, MN 56520
Daniel L. Zink, Assistant Secretary	P O Box 608, Wahpeton, ND 58074-0608
Douglas M. Head, Treasurer, Secretary	1616 W 22nd Street Minneapolis, MN 55405

2. Provide the names and addresses of owners, partners, or stockholders with 20% or more ownership of the company.

Name	Address
Douglas M. Head	1616 W 22nd Street Minneapolis, MN 55405

I certify that to the best of my knowledge and believe that this is a true and correct report.

Name Andrew J. Thompson	Signature
Title President & CEO	Date

File No.

Company Statements

3. Condensed Balance Sheet (system)

Asset Side	Balance at End of Year	Liability and Equity Side	Balance at End of Year
Current Assets	16,306,085	Current Liabilities	
Other Assets/Deferred Charges		Non-Current Liabilities	
Transportation Property – Net	7,290,484	Stockholders' Equity	
Total Assets	23,596,569	Total Liabilities and Equity	23,596,569

4. Condensed Operating Statement (system)

	Balance at End of Year
Railway Operating Revenues (from revenue schedule below)	
Less: Railway Operating Expenses (from schedule A – attached)	
Net Income from Railway Operations	
Less: Net Rentals	
Railway Income Tax Accruals	
Net Railway Operating Income	

Additional Data and Statistics

5. Railway Operating Revenues

	North Dakota Intrastate	System Wide
Freight		
Switching		
Demurrage		
Incidental		
Total		

	North Dakota Intrastate	System Wide
6. Miles of road owned and operated at year end	453	456
7. Miles of road operated under trackage rights	86.5	86.5
8. Miles of road discontinued during the year		
9. Expenditures for maintenance of way during the year		5,534,063

10. Operating Statistics

	System Wide
Gross Ton Miles	
Train Miles	
Car Miles	
Car Days	
Road Locomotive Hours	
Yard Locomotive Switching Hours	
Trailer/Container Days	

11. Equipment Inventory

	Owned	Leased
Road Locomotive Units	13	
Yard Locomotive Units		2
Freight Cars		
Covered Hopper	131	6
Open Hopper	30	6
Other	4	
Trailers/Containers		

File No.

Schedule A
Railway System Operating Expenses

Maintenance of Way & Structures	→	→	→	→	→	→	→	→	→	5,334,063
Maintenance of Equipment:										
Locomotives	→	→	→	→	→	→	→	→	→	806,494
Freight Cars	→	→	→	→	→	→	→	→	→	141,390
Trailers & Containers	→	→	→	→	→	→	→	→	→	
Other	→	→	→	→	→	→	→	→	→	
Total Maintenance of Equipment	→	→	→	→	→	→	→	→	→	947,884
Transportation:	No Separation Available								2,025,504	
Train & Engine Crews	→	→	→	→	→	→	→	→	→	
Yard Crews	→	→	→	→	→	→	→	→	→	
Locomotive Fuel: No Separation Available										
Train Operations	→	→	→	→	→	→	→	→	→	
Yard Operations	→	→	→	→	→	→	→	→	→	
Total Locomotive Fuel	→	→	→	→	→	→	→	→	→	1,039,944
Other Transportation: No Separation Available										
Train Operations	→	→	→	→	→	→	→	→	→	
Yard Operations	→	→	→	→	→	→	→	→	→	
Total Other Transportation	→	→	→	→	→	→	→	→	→	2,185,233
Total Transportation	→	→	→	→	→	→	→	→	→	5,250,681
General Administration & Overhead:										
Central Office Personnel	→	→	→	→	→	→	→	→	→	
Property Taxes	→	→	→	→	→	→	→	→	→	538,521
Fringe Benefits	→	→	→	→	→	→	→	→	→	
Other	→	→	→	→	→	→	→	→	→	2,015,702
Total Other General Administration & Overhead	→	→	→	→	→	→	→	→	→	2,554,223
Total System Expenses	→	→	→	→	→	→	→	→	→	14,086,851

Schedule B - System Revenue Freight Handled During the Year 2007

carloads 2007 psc

	Originating		Terminating		
	<u>Carloads</u>	<u>Tons</u>	<u>Carloads</u>	<u>Tons</u>	
Wheat	5399	539900	1294	129400	
Durum	12	1200	962	96200	
Sunflowers	71	4970	62	4340	
Corn	8712	958320	2915	291500	
Soybeans	9670	1063700	1514	151400	
Barley	692	65740	243	23085	
Other grn	18	1800	0	0	
Edible beans, peas	292	29200	0	0	
Flour	896	89600	0	0	
Corn Syrup	5810	639100	5	550	
Sugar	2931	293100	9	900	
Feed & Mill by-products	2129	212900	0	0	
Beet pellets	1191	113145	0	0	
Molasses	505	50500	0	0	
Steepwater	334	33400	0	0	
Noodles	71	5325	0	0	
Fertilizer	0	0	1098	109800	
Coal	0	0	1751	175100	
Steel	1	110	1001	110110	
Scrap	531	53100	292	29200	
Propane	0	0	97	7275	
Chemicals	0	0	51	5100	
Lumber	0	0	181	16290	
Machinery	0	0	5	325	
Plastic	26	1950	1	75	
Gravel	1831	183100	0	0	
Limestone	0	0	543	54300	
Miscellaneous	20	2000	48	4800	
Totals	41142	4342160	12072	1209750	53214

Schedule C - ND Revenue Freight Handled During the Year 2007

carloads 2007 psc ND

	Originating		Terminating		
	<u>Carloads</u>	<u>Tons</u>	<u>Carloads</u>	<u>Tons</u>	
Wheat	3784	378400	1174	117400	
Durum	12	1200	962	96200	
Sunflowers	55	3850	0	0	
Corn	6545	719950	2260	226000	
Soybeans	6928	762080	1048	104800	
Barley	692	65740	243	23085	
Other grn	17	1700	0	0	
Edible beans, peas	292	29200	0	0	
Flour	896	89600	0	0	
Corn Syrup	5810	639100	5	550	
Sugar	2931	293100	9	900	
Feed & Mill by-products	2129	212900	0	0	
Beet pellets	1191	113145	0	0	
Molasses	505	50500	0	0	
Steepwater	334	33400	0	0	
Noodles	71	5325	0	0	
Fertilizer	0	0	1051	105100	
Coal	0	0	1751	175100	
Steel	1	110	1001	110110	
Scrap	531	53100	292	29200	
Propane	0	0	97	7275	
Chemicals	0	0	51	5100	
Lumber	0	0	181	16290	
Machinery	0	0	0	0	
Plastic	26	1950	1	75	
Gravel	1831	183100	0	0	
Limestone	0	0	543	54300	
Miscellaneous	20	2000	48	4800	
Totals	34601	3639450	10717	1076285	45318