



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

File No.

Business Name Dakota Northern Railroad Inc.	For Year Ended 31 December 2008
Business Address PO Box 705 Crookston MN 56716	Business Telephone Number 218-281-1750

Instructions: Complete this form in duplicate and return the original to the ND Public Service Commission, 306 East 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.

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MAR 30 2009

General Information

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

PUBLIC SERVICE COMMISSION

Name	Address
Frank W. Nesbit, President	21 Main Street Bethel, MN 55005
Norman C. Bierwerth, Vice President	PO Box 549 Atwater MN 56209
George LaPray, Gen Manager	PO Box 705 Crookston MN 56716

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

Name	Address
KBN Inc. - 100%	117 S Broadway Crookston MN 56716

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

Name George LaPray, Gen Manager	Signature
Title 27 March 2009	Date 27 March 2009

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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	482,512.00	Current Liabilities	77,361.00
Other Assets/Deferred Charges	-0-	Non-Current Liabilities	-0-
Transportation Property – Net	23,884.00	Stockholders' Equity	429,035.00
Total Assets	512,293.67	Total Liabilities and Equity	506,396.00

4. Condensed Operating Statement (system)

	Balance at End of Year
Railway Operating Revenues (from revenue schedule below)	1,639,097.00
Less: Railway Operating Expenses (from schedule A – attached)	1,385,884.00
Net Income from Railway Operations	253,513.00
Less: Net Rentals	57,766.00
Railway Income Tax Accruals	-0-
Net Railway Operating Income	195,447.00

Additional Data and Statistics

5. Railway Operating Revenues

	North Dakota Intrastate	System Wide
Freight	1,507,703.00	1,507,703.00
Switching	-0-	-0-
Demurrage	87,457.00	87,457.00
Incidental	43,937.00	43,937.00
Total	1,639,097.00	1,639,097.00

	North Dakota Intrastate	System Wide
6. Miles of road owned and operated at year end	68.1	68.1
7. Miles of road operated under trackage rights	-0-	-0-
8. Miles of road discontinued during the year	-0-	-0-
9. Expenditures for maintenance of way during the year	59,744.00	57,477.00

10. Operating Statistics

	System Wide
Gross Ton Miles	Not Tracked
Train Miles	26,000
Car Miles	Not Tracked
Car Days	Not Tracked
Road Locomotive Hours	Not Tracked
Yard Locomotive Switching Hours	Not Tracked
Trailer/Container Days	Not Applicable

11. Equipment Inventory

	Owned	Leased
Road Locomotive Units	-0-	2
Yard Locomotive Units	-0-	-0-
Freight Cars	-0-	-0-
Covered Hopper		
Open Hopper		
Other		
Trailers/Containers	-0-	-0-

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Schedule A
Railway System Operating Expenses

Maintenance of Way & Structures	→	→	→	→	→	→	→	→	→		59,744.00
Maintenance of Equipment:											
Locomotives	→	→	→	→	→	→	→	→	→	→	65,282.00
Freight Cars	→	→	→	→	→	→	→	→	→	→	1177.00
Trailers & Containers	→	→	→	→	→	→	→	→	→	→	-0-
Other	→	→	→	→	→	→	→	→	→	→	153,982.00
Total Maintenance of Equipment	→	→	→	→	→	→	→	→	→	→	220,441.00
Transportation:											
Train & Engine Crews	→	→	→	→	→	→	→	→	→	→	447,076.00
Yard Crews	→	→	→	→	→	→	→	→	→	→	-0-
Locomotive Fuel:											
Train Operations	→	→	→	→	→	→	→	→	→	→	204,093.00
Yard Operations	→	→	→	→	→	→	→	→	→	→	
Total Locomotive Fuel	→	→	→	→	→	→	→	→	→	→	204,093.00
Other Transportation:											
Train Operations	→	→	→	→	→	→	→	→	→	→	105,741.00
Yard Operations	→	→	→	→	→	→	→	→	→	→	51,847.00
Total Other Transportation	→	→	→	→	→	→	→	→	→	→	157,588.00
Total Transportation	→	→	→	→	→	→	→	→	→	→	808,757.00
General Administration & Overhead:											
Central Office Personnel	→	→	→	→	→	→	→	→	→	→	278,443.00
Property Taxes	→	→	→	→	→	→	→	→	→	→	13352.00
Fringe Benefits	→	→	→	→	→	→	→	→	→	→	
Other	→	→	→	→	→	→	→	→	→	→	5147.00
Total Other General Administration & Overhead	→	→	→	→	→	→	→	→	→	→	296,242.00
Total System Expenses	→	→	→	→	→	→	→	→	→	→	1,385,884.00

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Schedule B
System Revenue Freight Handled During the Year

Description	Originating		Terminating		Bridge and Overhead Traffic	
	Carloads	Tons	Carloads	Tons	Carloads	Tons
Wheat (except durum)						
Durum						
Barley						
Sunflowers						
Corn						
Flax						
Oats						
Rye						
Soybeans						
Other Grain and Oilseeds						
Wheat Flour						
Malt						
Dairy Products						
Fertilizer						
Cement						
Coal						
Petroleum & Petroleum Products						
Chemicals						
Lumber						
Machinery						
Livestock						
Miscellaneous*						
Totals						

*List below any commodity that accounts for more than 1% of total carloads or tons:

**Note: See Schedule "C"
100% Dakota Northern
Traffic originates or
terminates within North
Dakota**

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Schedule C
ND Revenue Freight Handled During the Year

Description	Originating		Terminating		Bridge and Overhead Traffic	
	Carloads	Tons	Carloads	Tons	Carloads	Tons
Wheat (except durum)	1099	109,900			-0-	-0-
Durum					-0-	-0-
Barley	11	1100			-0-	-0-
Sunflowers					-0-	-0-
Corn					-0-	-0-
Flax					-0-	-0-
Oats					-0-	-0-
Rye					-0-	-0-
Soybeans	25	2500			-0-	-0-
Other Grain and Oilseeds	840	84,000			-0-	-0-
Wheat Flour					-0-	-0-
Malt					-0-	-0-
Dairy Products					-0-	-0-
Fertilizer			85	8500	-0-	-0-
Cement					-0-	-0-
Coal			380	38,000	-0-	-0-
Petroleum & Petroleum Products					-0-	-0-
Chemicals					-0-	-0-
Lumber					-0-	-0-
Machinery					-0-	-0-
Livestock					-0-	-0-
Miscellaneous*	1314	127,060			-0-	-0-
Totals	3289	324,560	465	46,500	-0-	-0-

*List below any commodity that accounts for more than 1% of total carloads or tons:

Alcohols 1077 c/l 107,700 tons
Potatoes 169 c/l 16,900 tons
Transp Equip 62 c/l 1860 tons (empty freight cars)