File No.

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

Business Name: Yellowstone Valley RR	For Year Ended: 12-31-08
Business Address: 909 E Main St. Sidney, MT 59270	Business Telephone Number: 406 433 8561

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.

RECEIVED
APR 02 2009
PUBLIC SERVICE COMMISSION

General Information

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

Name	Address
Terry Towner, President	315 W. 3rd St. Pittsburg, KS 66762
Gary Lundy, Secretary	Same
Rick Webb, Director	Same
Rick Baden, Director	Same

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

Name	Address
WATCO Companies, Inc.	315 W. 3rd St. Pittsburg, KS 66762

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

Name: Raymond W. Sargent	Signature: Raymond W. Sargent
Title: West Region Controller	Date: 3-30-2009

3 RR-09-78 Filed: 4/2/2009 Pages: 5
Yellowstone Valley RR 2008 Annual Report

Yellowstone Valley Railroad, Inc

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	3,899,390	Current Liabilities	1,789,317
Other Assets/Deferred Charges	3,668	Non-Current Liabilities	0
Transportation Property – Net	1,620,568	Stockholders' Equity	3,734,309
Total Assets		**Total Liabilities and Equity**	5,523,625

4. Condensed Operating Statement (system)

	Balance at End of Year
Railway Operating Revenues (from revenue schedule below)	2,772,015
Less: Railway Operating Expenses (from schedule A – attached)	1,365,229
Net Income from Railway Operations	1,406,786
Less: Net Rentals	–
Railway Income Tax Accruals	–
Net Railway Operating Income	1,406,786

Additional Data and Statistics

5. Railway Operating Revenues

	North Dakota Intrastate	System Wide
Freight	1008	1,682,712
Switching	0	74,100
Demurrage	0	(8,950)
Incidental	0	1,024,053
Total	1008	2,772,015

	North Dakota Intrastate	System Wide
6. Miles of road owned and operated at year end	8.73	179
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		343,886

10. Operating Statistics

	System Wide
Gross Ton Miles	22,104,071
Train Miles	
Car Miles	
Car Days	
Road Locomotive Hours	
Yard Locomotive Switching Hours	
Trailer/Container Days	

11. Equipment Inventory

	Owned	Leased
Road Locomotive Units	4	1
Yard Locomotive Units	–	–
Freight Cars	–	–
Covered Hopper	–	4
Open Hopper	–	–
Other	–	–
Trailers/Containers	–	–

File No.

Schedule A
Railway System Operating Expenses

Maintenance of Way & Structures			344,875
Maintenance of Equipment:			
Locomotives	77,093		
Freight Cars	1338		
Trailers & Containers	0		
Other	126		
Total Maintenance of Equipment			79,557
Transportation:			
Train & Engine Crews	216044		
Yard Crews	0		
Locomotive Fuel:			
Train Operations		349,445	
Yard Operations		0	
Total Locomotive Fuel	349,445		
Other Transportation:			
Train Operations		0	
Yard Operations		0	
Total Other Transportation	0		
Total Transportation			565489
General Administration & Overhead:			
Central Office Personnel	206,970		
Property Taxes	91,615		
Fringe Benefits	77,723		
Other			
Total Other General Administration & Overhead			376308
Total System Expenses			1,365,229

File No.

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)	1427		15			
Durum						
Barley	684					
Sunflowers	9					
Corn						
Flax						
Oats						
Rye						
Soybeans						
Other Grain and Oilseeds	442					
Wheat Flour						
Malt						
Dairy Products						
Fertilizer			22			
Cement			5			
Coal						
Petroleum & Petroleum Products	3518		977			
Chemicals			93			
Lumber						
Machinery						
Livestock						
Miscellaneous*	462		485			
Totals	6080		1597			

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

	Lentils
Limestone	Dry Sugar
Sand	
Peas	

File No.

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)						
Durum						
Barley						
Sunflowers						
Corn						
Flax						
Oats						
Rye						
Soybeans						
Other Grain and Oilseeds						
Wheat Flour						
Malt						
Dairy Products						
Fertilizer						
Cement						
Coal						
Petroleum & Petroleum Products			2			
Chemicals						
Lumber						
Machinery						
Livestock						
Miscellaneous*			5			
Totals			7			

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