



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

File No.

Business Name <b>Dakota Northern Railroad Inc.</b>	For Year Ended <b>31 December 2009</b>
Business Address <b>PO Box 705 Crookston MN 56716</b>	Business Telephone Number <b>218-281-1750</b>

Instructions: Complete this form in duplicate and return the original to the ND Public Service Commission, 601 E. Boulevard Ave., Dept. 408, Bismarck ND 58505-0480. Return it no later than the 15<sup>th</sup> day of the fourth month following the close of the year for which this report is filed.

**RECEIVED**  
**MAR 29 2010**

General Information

**PUBLIC SERVICE COMMISSION**

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

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

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

Name	Address
<b>KBN Inc. - 100%</b>	<b>117 S Broadway Crookston MN 56716</b>

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

Name <b>George LaPray</b>	Signature 
Title <b>General Manager</b>	Date <b>23 March 2010</b>

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	477,054	Current Liabilities	680,021
Other Assets/Deferred Charges	-	Non-Current Liabilities	-
Transportation Property - Net	157,960	Stockholders' Equity	-45,007
<b>Total Assets</b>	<b>635,014</b>	<b>Total Liabilities and Equity</b>	<b>635,014</b>

## 4. Condensed Operating Statement (system)

	Balance at End of Year
Railway Operating Revenues (from revenue schedule below)	1,458,829
Less: Railway Operating Expenses (from schedule A - attached)	2,007,607
Net Income from Railway Operations	(548,778)
Less: Net Rentals	62,805
Railway Income Tax Accruals	0
<b>Net Railway Operating Income</b>	<b>(611,583)</b>

## Additional Data and Statistics

## 5. Railway Operating Revenues

	North Dakota Intrastate	System Wide
Freight	1,315,324	1,315,324
Switching	0	0
Demurrage	117,019	117,019
Incidental	26,486	26,486
<b>Total</b>	<b>1,458,829</b>	<b>1,458,829</b>

	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	572,545	572,545

## 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-	3
Yard Locomotive Units	-0-	-0-
Freight Cars	-0-	-0-
Covered Hopper		
Open Hopper		
Other		
Trailers/Containers	-0-	-0-

File No.

Schedule A  
Railway System Operating Expenses

Maintenance of Way & Structures	→	→	→	→	→	→	→	→	→	→	→	572,545
Maintenance of Equipment:												
Locomotives	→	→	→	→	→	→	→	→	→	→	→	
Freight Cars	→	→	→	→	→	→	→	→	→	→	→	
Trailers & Containers	→	→	→	→	→	→	→	→	→	→	→	
Other	→	→	→	→	→	→	→	→	→	→	→	35,652
Total Maintenance of Equipment	→	→	→	→	→	→	→	→	→	→	→	35,652
Transportation:												
Train & Engine Crews	→	→	→	→	→	→	→	→	→	→	→	431,965
Yard Crews	→	→	→	→	→	→	→	→	→	→	→	-0-
Locomotive Fuel:												
Train Operations	→	→	→	→	→	→	→	→	→	→	→	84,081
Yard Operations	→	→	→	→	→	→	→	→	→	→	→	
Total Locomotive Fuel	→	→	→	→	→	→	→	→	→	→	→	84,801
Other Transportation:												
Train Operations	→	→	→	→	→	→	→	→	→	→	→	537,811
Yard Operations	→	→	→	→	→	→	→	→	→	→	→	
Total Other Transportation	→	→	→	→	→	→	→	→	→	→	→	537,811
Total Transportation	→	→	→	→	→	→	→	→	→	→	→	1,053,857
General Administration & Overhead:												
Central Office Personnel	→	→	→	→	→	→	→	→	→	→	→	331,615
Property Taxes	→	→	→	→	→	→	→	→	→	→	→	
Fringe Benefits	→	→	→	→	→	→	→	→	→	→	→	
Other	→	→	→	→	→	→	→	→	→	→	→	13,938
Total Other General Administration & Overhead	→	→	→	→	→	→	→	→	→	→	→	345,553
<b>Total System Expenses</b>	→	→	→	→	→	→	→	→	→	→	→	<b>2,007,607</b>

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)						
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*						
<b>Totals</b>						

\*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**

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)	<b>562</b>	<b>56,200</b>			-0-	-0-
Durum					-0-	-0-
Barley	<b>3</b>	<b>300</b>			-0-	-0-
Sunflowers					-0-	-0-
Corn	<b>52</b>	<b>5200</b>			-0-	-0-
Flax					-0-	-0-
Oats					-0-	-0-
Rye					-0-	-0-
Soybeans					-0-	-0-
Other Grain and Oilseeds	<b>713</b>	<b>71,300</b>			-0-	-0-
Wheat Flour					-0-	-0-
Malt					-0-	-0-
Dairy Products					-0-	-0-
Fertilizer			<b>74</b>	<b>7400</b>	-0-	-0-
Cement					-0-	-0-
Coal			<b>201</b>	<b>20,100</b>	-0-	-0-
Petroleum & Petroleum Products					-0-	-0-
Chemicals					-0-	-0-
Lumber					-0-	-0-
Machinery					-0-	-0-
Livestock					-0-	-0-
Miscellaneous*	<b>1216</b>	<b>121,600</b>			-0-	-0-
<b>Totals</b>	<b>2546</b>	<b>254,600</b>	<b>275</b>	<b>27,500</b>	<b>-0-</b>	<b>-0-</b>

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

<b>Alcohols 1079 c/l 107,900 tons</b>
<b>Potatoes 114 c/l 11,400 tons</b>
<b>Transp Equip 23 c/l 1380 tons (empty freight cars)</b>