

SUPPLEMENT
TO
FT VSR 8200-C

V&S RAILWAY LLC

SUPPLEMENT 1 TO FREIGHT TARIFF VSR 8200-C

CONTAINING
LOCAL RATES
ALSO
RULES, REGULATIONS, AND CHARGES
GOVERNING
SWITCHING
APPLYING AT AND BETWEEN
STATIONS ON THE
V & S RAILWAY LLC- MEDICINE LODGE SUBDIVISION

LOCAL FREIGHT TARIFF

This tariff is also applicable on intrastate traffic, except where expressly provided to the contrary in connection with particular rates and provisions contained herein.

ISSUED: August 21, 2007

EFFECTIVE: October 1, 2007

ISSUED BY:

Aaron Parsons
Assistant Vice President
P.O. Box 26421
Salt Lake City, UT 84126

(The provisions published herein, if effective, will not result in an effect on the quality of the human environment.)

SUPPLEMENT 1 TO FT VSR 8200-C

SECTION 1 SWITCHING AND MISCELLANEOUS CHARGES		FUEL SURCHARGE											
<p>ITEM 370</p> <p align="center">HANDLING OF CARS DELIVERED IN ERROR</p> <p>A charge of \$100.00 per car will be assessed against the carrier, which delivers cars to the VSR in error for return of these cars, loads or empties.</p>		<p>ITEM 530</p> <p align="center">FUEL SURCHARGE – ALL INTERLINE FREIGHT</p> <p>A fuel surcharge shall be applied to all traffic moving on the V&S Railway, based on the changes in fuel pricing for the preceding quarter. Pricing is based on changes to the U.S. Retail On Highway Diesel Fuel (“HDF”) prices for the U.S., as published online by the U.S. Department of Energy at :</p> <p align="center">http://tonto.eia.doe.gov/oog/info/wohdp/diesel.asp.</p> <p>The surcharge rate shall be determined at the end of every quarter (March 31, June 30, September 30, and December 31), beginning with the quarter ending March 31, 2007. The base price utilized in calculating changes to the surcharge shall be \$2.70 per gallon.</p> <p>The surcharge for any quarter will be calculated based on the average HDF price published on each Monday of the preceding quarter.</p> <p>If the average HDF remains below \$2.700 per gallon, no fuel surcharge rate shall apply. If the average HDF price is above \$2.70 per gallon, the corresponding percentage (shown below) will be added to the rates published herein (Items 280, 285, 305, 310, 500, and 520).</p> <table border="1"> <thead> <tr> <th align="center">Quarterly Avg. HDF Price Range</th> <th align="center">Fuel Surcharge</th> </tr> </thead> <tbody> <tr> <td align="center">\$2.701 to \$2.800</td> <td align="center">1.0%</td> </tr> <tr> <td align="center">\$2.801 to \$2.900</td> <td align="center">2.0%</td> </tr> <tr> <td align="center">\$2.901 to \$3.000</td> <td align="center">3.0%</td> </tr> <tr> <td align="center">\$3.001 to \$3.100</td> <td align="center">4.0%</td> </tr> </tbody> </table> <p>Each \$0.10 per gallon increase there after, apply an additional 1.0%.</p> <p>The fuel surcharge shall be in addition to all other charges, including other surcharges and line-haul transportation charges, and shall accrue solely to the VSR.</p> <p>Example: The surcharge for the months of April 2007 through June 2007 will be based on the average weekly HDF price during January 2007 through March 2007. If the average weekly HDF price were \$2.82/gallon, then the surcharge rate for April to June would be 2.0%. All switching and freight charges and other surcharges (Item 520) listed in this tariff would be increased by 2.0%.</p>		Quarterly Avg. HDF Price Range	Fuel Surcharge	\$2.701 to \$2.800	1.0%	\$2.801 to \$2.900	2.0%	\$2.901 to \$3.000	3.0%	\$3.001 to \$3.100	4.0%
Quarterly Avg. HDF Price Range	Fuel Surcharge												
\$2.701 to \$2.800	1.0%												
\$2.801 to \$2.900	2.0%												
\$2.901 to \$3.000	3.0%												
\$3.001 to \$3.100	4.0%												
<p>ITEM 380</p> <p align="center">DIVERSION / RECONSIGNMENT</p> <p>When a shipper or the otherwise beneficial owner of a freight shipment desires to make a change in the billed consignee, or destination, or route, a charge of \$150.00 per car will apply. The charges herein shall be in addition to all other charges and accrue solely to VSR.</p> <p>Reasonable effort will be made by VSR to issue instructions in accomplishing the desired change. However, VSR does not warrant, nor will be responsible for instructions received too late to be acted upon. If VSR is unsuccessful in carrying out the requested instructions, the charges applicable in connection with this item will not apply.</p>													
<p>ITEM 400</p> <p align="center">LINE HAUL RATES</p> <p>All line haul rates shall be published as appropriate tariffs, rate quotes and contracts. All line haul movements are interchanged with BNSF at Attica, KS.</p>													
SECTION 2													
<p>ITEM 500</p> <p align="center">FREIGHT ALL KINDS</p> <p>FREIGHT, ALL KINDS, unless otherwise provided for in this section or by separate contract, will be moved at the rate of \$400.00 per car plus applicable surcharges.</p>													
FUEL SURCHARGE													
<p>ITEM 520-A</p> <p>[1]</p> <p align="center">FREIGHT SURCHARGE – ALL INTERLINE FREIGHT</p> <p>A surcharge of \$675.00 per carload will be assessed by VSR against the party paying the line-haul transportation charges to the billing carrier, on all originating or terminating traffic interchanged with the BNSF at Attica, KS.</p> <p>Such surcharges shall be in addition to all other charges, including other surcharges and line-haul transportation charges, and shall accrue solely to the VSR.</p>													