

VERMONT RAIL SYSTEM

VERMONT RAILWAY, INC.

GREEN MOUNTAIN RAILROAD CORP.

CLARENDON AND PITTSFORD RAILROAD CO.

WASHINGTON COUNTY RAILROAD CO.

AND

NEW YORK AND OGDENSBURG RAILWAY CO.

**FREIGHT TARRIFF VTR 9019-C
(CANCELS VTR 9019-B)**

FUEL SURCHARGE

**APPLYING ON ALL CARLOAD TRAFFIC RATES
ORIGINATING, TERMINATING OR VIA STATIONS ON THE
VERMONT RAILWAY, INC.**

**GREEN MOUNTAIN RAILROAD CORP.
CLARENDON AND PITTSFORD RAILROAD CO.
WASHINGTON COUNTY RAILROAD CO.
NEW YORK AND OGDENSBURG RAILWAY CO.**

SPECIAL NOTICE

**The surcharge provisions of this tariff are issued and made effective solely for the
purpose of offsetting fuel increase costs.**

AMENDMENT C ISSUED: August 7, 2006 EFFECTIVE: August 27, 2006

**ISSUED BY
EDWARD J. FITZGERALD
VICE PRESIDENT – MARKETING
VERMONT RAILWAY, INC.
ONE RAILWAY LANE
BURLINGTON, VT 05401
PHONE: 802658-2550**

TARIFF VTR 9019-C (CONT'D)

SURCHARGE TO OFFSET FUEL COSTS

A surcharge on freight rates to offset upwardly fluctuating fuel prices will be assessed on all currently effective tariff/exempt quote/contract rates and applied as follows:

1. All carload traffic originating on the VTR, GMRC, CLP, WACR and NYOG
2. All joint line carload traffic originating at stations on carriers other than VTR, GMRC, CLP, WACR and NYOG received at interchange points by the VTR, GMRC, CLP, WACR and NYOG and handled beyond such interchange points via VTR, GMRC, CLP, WACR and NYOG under Rule 11 billing.
3. All joint line carload traffic originating at stations on carriers other than VTR, GMRC, CLP, WACR and NYOG received at interchange points by the VTR, GMRC, CLP, WACR and NYOG moving on a prepaid or collect basis and not subject to origin or interline carrier fuel surcharge on through freight rate. Fuel surcharge will be billed separately by VTR, GMRC, CLP, WACR or NYOG as applicable.

The afore mentioned surcharge will be billed to the party responsible for payment of freight charges by the VTR, GMRC, CLP, WACR or NYOG as the case may be.

NOTE: The application of this surcharge will apply on all commodities and car types EXCEPT commodities moving under the rates and provisions of VTR Tariff 4000 applying on grain and grain products. **See below for applicable surcharge on grain and grain products.**

CALCULATION OF FUEL SURCHARGE

In the event the price of West Texas Intermediate Crude Oil, as published in the Wall Street Journal, equals or exceeds \$28.00 per barrel for 30 consecutive days Vermont Rail System (VTR, CLP, GMRC, WACR, NYOG) retains the right to apply a fuel surcharge to the line haul freight charge(s) contained in this authority in effect on the date the fuel surcharge is applied, hereinafter referred to as the "Base Freight Charge(s)". If this option is exercised, the Fuel Surcharge shall be applied according to the following schedule:

TARIFF VTR 9019-C (CONT'D)

West Texas Intermediate Crude Oil (Price Per Barrel)	Cumulative Fuel Surcharge (Percentage)
\$28	2%
\$33	4%
\$38	6%
\$43	8%
Each \$5.00 per barrel increase thereafter	an additional 2%

The price of WTI must equal or exceed a given bracket for 30 consecutive days for the surcharge under that bracket to be applicable. If the price of WTI ceases to be available from the Wall Street Journal another readily available source or substitute measure will be utilized.

Any fuel surcharge applied to the freight charge (s) in this authority will be removed or reduced when the price of WTI remains below the threshold that triggers application of a specific surcharge bracket for 30 consecutive days. Reductions will be made promptly as soon as they become applicable. In no case will the freight charge(s) be reduced below the Base Freight Charge(s) nor will the application or removal of the fuel surcharge be retroactive.

**FUEL SURCHARGE APPLICABLE ON GRAIN AND GRAIN PRODUCTS
MOVING UNDER RATES IN TARIFF VTR 4000.**

West Texas Intermediate Crude Oil (Price Per Barrel)	Cumulative Fuel Surcharge (Percentage)
\$53	2%
\$58	4%
Each \$5.00 per barrel increase thereafter	an additional 2%