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BEFORE THE SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34918

ENTERED
Office of Proceedings

AUG 04 2006

Public Recd

KEOKUK JUNCTION RAILWAY CO.
d/b/a PEORIA & WESTERN RAILWAY
- LEASE AND OPERATION EXEMPTION -
BNSF RAILWAY COMPANY
BETWEEN VERMONT and FARMINGTON, ILLINOIS



FILED

AUG 04 2006

SUR.
TRANSPORTATION BOARD

VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 CFR 1150.41

NOTICE OF OPERATION OF RAIL LINES
INFORMATION REQUIRED BY 49 CFR 1150.43

FEE RECEIVED

AUG 04 2006

SURFACE
TRANSPORTATION BOARD

Daniel A. LaKemper, Esq.
General Counsel
Keokuk Junction Railway Co.,
d/b/a Peoria & Western Railway
1318 S. Johanson Road
Peoria, Illinois 61607
Tel.: (309) 697-1400
Fax: (309) 697-8486

Dated: July 27, 2006.

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34918

KEOKUK JUNCTION RAILWAY CO.,
d/b/a PEORIA & WESTERN RAILWAY
--LEASE AND OPERATION EXEMPTION--
BNSF RAILWAY COMPANY
BETWEEN VERMONT AND FARMINGTON, ILLINOIS

VERIFIED NOTICE OF EXEMPTION

Pursuant to 49 C.F.R. §1150.41, et. seq., Keokuk Junction Railway Co., d/b/a Peoria & Western Railway ("PWRY"), a Class III rail carrier, hereby files this Verified Notice of Exemption to lease and operate the portion of BNSF Railway Company's Yates City Subdivision between Vermont (Milepost 94.3) and Farmington (Milepost 52.20), as shown on Exhibit A, attached hereto, in Fulton County, Illinois (the "Line"). Based on projected revenues for the Line, PWRY expects to remain a Class III rail carrier after consummation of the transaction proposed herein.

In accordance with the requirements of 49 C.F.R. §1150.43, PWRY submits the following information:

Name and Address of Applicant: 49 C.F.R. §1150.43(a)

The full name and address of the Class III rail carrier applicant herein is as follows:

Keokuk Junction Railway Co., d/b/a Peoria & Western Railway
1318 S. Johanson Road
Peoria, Illinois 61607

Applicant's Representative: 49 C.F.R. §1150.43(b)

The name, address and telephone number of the representative of the applicant who should receive correspondence is as follows:

Daniel A. LaKemper
General Counsel
Keokuk Junction Railway Co.,
d/b/a Peoria & Western Railway
1318 S. Johanson Road
Peoria, Illinois 61607

Statement Concerning Agreement: 49 C.F.R. §11500.43(c)

PWRY has reached agreement with BNSF Railway Company ("BNSF") providing for PWRY's lease and operation of that portion of the BNSF's Yates City Subdivision between Vermont, Illinois (Milepost 94.3) and Farmington, Illinois (Milepost 52.20), commencing August 15, 2006.

Operation of the Property: 49 C.F.R. §1149.43(d)

PWRY will operate, maintain and provide all rail common carrier services on the Line, pursuant to the Lease Agreement between PWRY and BNSF referenced hereinabove.

Brief Summary of the Transaction: 49 C.F.R. §1150.43(e):

Pursuant to the Lease Agreement between PWRY and BNSF, PWRY proposes to lease, operate, maintain, and perform all common carrier service on the Line. PWRY is controlled by Pioneer Railcorp, See Finance Docket No. FD-34010, Served February 27, 2001 (Pioneer Railcorp – Continuance in Control Exemption – Gettysburg & Northern Railroad Co.).

- (1) The name and address of the railroad transferring the subject property to the Class III rail carrier applicant:

BNSF Railway Company
2650 Lou Menk Drive
Fort Worth, Texas 76131

(2) The proposed time schedule for consummation of the transaction:

Under the Agreement, consummation of this transaction will occur on August 15, 2006, and operations under this exemption will begin thereafter.

(3) The mileposts of the subject property:

That portion of the BNSF's Yates City Subdivision between Vermont, Illinois (Milepost 94.3) and Farmington, Illinois (Milepost 52.20), in Fulton County, Illinois, including the Dunfermline industrial spur.

(4) The total route miles being acquired:

The length of the mainline trackage is approximately 42.1 miles.

Map: 49 C.F.R. §1150.43(f):

A map showing the Line and the surrounding trackage is attached as Exhibit A of this Notice.

Certificate of Compliance: 49 C.F.R. §1150.43(g):

A Certificate of Compliance with the provisions of 49 C.F.R. §1150.33(g) is attached as Exhibit B to this Notice.

Environmental and Historic Preservation Data: 49 C.F.R. §1105:

Under 49 C.F.R. §1105(c)(2), PWRY's proposed lease and operation of the Line is exempt from environmental reporting requirements. The proposed transaction will not result in significant changes in carrier operations, i.e., changes that exceed the thresholds established in 49 C.F.R.

§1105.7(e)(4) or (5).

Under 49 C.F.R. §1105.8(b)(1), PWRY's lease and operation of the Line is also exempt from historic preservation reporting requirements. The proposed lease is for the purpose of continued rail operations. Further Surface Transportation Board approval is required to discontinue or abandon service, and there are no plans to dispose of or alter properties subject to Board jurisdiction that are fifty years old or older.

Caption Summary: 49 C.F.R. §1150.44:

A caption summary in appropriate form is attached as Exhibit C to this Notice.

Pursuant to 49 USC §10902(d), no labor protection is required by the action described in this Notice.

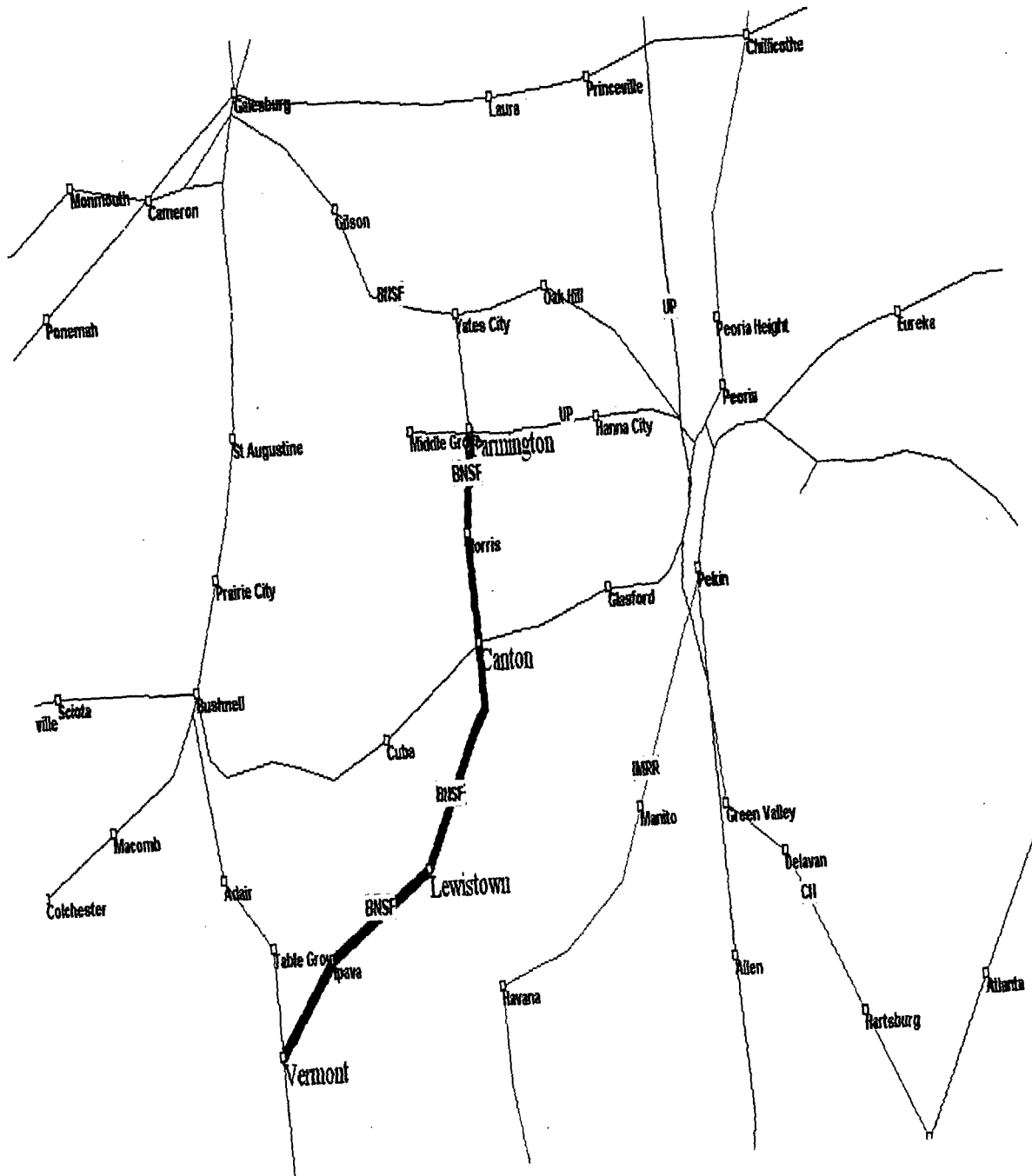
All shippers known to have shipped or received freight within the last two years will be served a copy of this Notice.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Daniel A. LaKemper".

Daniel A. LaKemper, Esq.
Keokuk Junction Railway Co.,
d/b/a Peoria & Western Railway
1318 S. Johanson Road
Peoria, Illinois 61607
Tel.: (309) 697-1400

EXHIBIT A
MAP



STATE OF ILLINOIS)
) ss
COUNTY OF PEORIA)

VERIFICATION AND CERTIFICATE OF COMPLIANCE

J. Michael Carr, being first duly sworn, deposes and states that:

He is the President and Chief Financial Officer of applicant Keokuk Junction Railway Co., d/b/a Peoria & Western Railway:

He has read the foregoing Notice of Exemption; that he is familiar with the facts stated therein and that the contents thereof are true and correct to the best of his knowledge and belief

That the Line being leased pursuant to this Notice of Exemption has no traffic currently, and that I hereby certify that applicant's projected revenues as a result of the transaction will not result in the creation of a Class II or Class I rail carrier so as to require processing under §1150.45.

J. Michael Carr

Subscribed and sworn to
Before me this 3rd day of August, 2006

Notary Public



EXHIBIT C
CAPTION SUMMARY

SURFACE TRANSPORTATION BOARD

Notice of Exemption

Finance Docket No. 34918

KEOKUK JUNCTION RAILWAY CO.
d/b/a PEORIA & WESTERN RAILWAY
-LEASE AND OPERATION EXEMPTION-
BNSF RAILWAY COMPANY

Keokuk Junction Railway Co., d/b/a Peoria & Western Railway, has filed a notice of exemption to lease and operate BSNF Railway's line between Vermont and Farmington, Illinois.

Comments must be filed with the Board and served upon Petitioner's representative, Daniel A. LaKemper, 1318 S. Johanson Road, Peoria, Illinois 61607.

The notice is filed under 49 CFR 1150.41. If the notice contains false or misleading information, the exemption is void *ab initio*. The filing of a petition to revoke will not automatically stay the transaction.

Dated:

By the Board,
Vernon A. Williams,
Secretary.

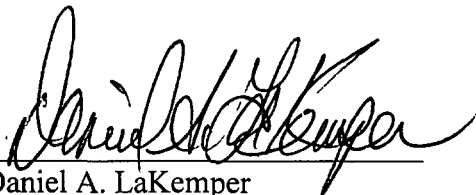
CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Verified Notice of Exemption was served on the following via UPS Overnight Mail on August 3, 2006:

BNSF Railway Company
2650 Lou Menk.
Fort Worth, Texas, 76131
Attn: AVP Joint Facilities
AVP Short Line Development

and

Ameren Energy Fuels and Services Co.
VP Coal Supply & Transportation
1901 Chouteau Avenue, MC 611
St. Louis, MO 63103


Daniel A. LaKemper