

SURFACE TRANSPORTATION BOARD

PRESCRIPTION OF DEPRECIATION RATES

for

KANSAS CITY SOUTHERN RAILWAY COMPANY

TRACK PROPERTY

KCS-TR-13

Rates Effective: January 1, 2013

Kansas City Southern Railway Company (KCS) has submitted depreciation rates for its track property. Life and salvage estimates supporting these rates were also provided and have been given appropriate consideration.

The depreciation rates prescribed herein replace any rates previously prescribed for the subject property. Beginning on the effective date of this prescription, the railroad is prohibited from using any rates other than those prescribed herein. As stated in *49 U.S.C. 11143*, a rail carrier may not:

- (1) charge to operating expenses a depreciation charge on a class of property other than that prescribed by the Board;
- (2) charge another rate of depreciation; or
- (3) include other depreciation charges in operating expenses.

IT IS ORDERED:

- (1) Kansas City Southern Railway Company shall account for depreciation charges by applying to the ledger value of track property, owned and used in its operations, the annual component percentage rates shown herein.
- (2) The rates shall be effective from **January 1, 2013, to December 31, 2018**, or until further order of the Board.
- (3) Kansas City Southern Railway Company intends to amortize the variance between book accumulated depreciation and the calculated guideline for its track property over the average remaining life of the property in each account.

KANSAS CITY SOUTHERN RAILWAY COMPANY TRACK PROPERTY DEPRECIATION RATES			
A/C #		DEPN RATE	
WOOD TIES			
DENSITY	I		4.40
DENSITY	II		3.93
DENSITY	IV		2.75
CONCRETE TIES			
DENSITY	I		2.44
DENSITY	II		2.20
RAIL AND OTM			
DENSITY	I		2.92
DENSITY	II		2.50
DENSITY	IV		1.59
OTM			2.50
BALLAST			
DENSITY	I		4.00
DENSITY	II		3.57
DENSITY	IV		2.50

Decided October 16, 2012, by the Surface Transportation Board, Accounting Board.