

SURFACE TRANSPORTATION BOARD

PRESCRIPTION OF DEPRECIATION RATES

for

KANSAS CITY SOUTHERN RAILWAY COMPANY

EQUIPMENT PROPERTY

KCS-EQ-14

Rates Effective: January 1, 2014

Kansas City Southern Railway Company (KCS) has submitted depreciation rates for its equipment 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 (KCS) shall account for depreciation charges by applying to the ledger value of equipment property, owned and used in its operations, the annual component percentage rates shown herein.
- (2) The rates shall be effective from **January 1, 2014, through December 31, 2016**, or until further order of the Board.

KCS EQUIPMENT PROPERTY DEPRECIATION RATES		
A/C #	ACCOUNT NAME	ACCRUAL RATES
52	Locomotives	
01 & 02	Secondhand - Hulk	2.03
01 & 02	Secondhand - Components	8.50
01 & 02	Secondhand - Repower	4.25
02	New - Hulk	2.00
02	New - Components	8.50
53	Freight Train Cars	
02 & 03	Boxcar - 50'	2.67
02 & 03	Boxcar - 60'	2.67
04 & 05	Gondola	2.83
06	Covered Hopper	1.95
14	Flat Car	2.06
15	Tank Car	2.05
57	Work Equipment	2.25
58	Miscellaneous Equipment	
04	Other	8.82
03	Trucks	8.08
59	Computers	
	5-year property	20.00
	7-Year property	14.29
	Software – 3 years	33.33
	Software – 5 years	20.00
	Software – 7 years	14.29

Decided August 30, 2013, by the Surface Transportation Board, Accounting Board.