

# **SURFACE TRANSPORTATION BOARD**

## **PRESCRIPTION OF DEPRECIATION AMORTIZATION**

*for*

### **KANSAS CITY SOUTHERN RAILWAY COMPANY**

#### **EQUIPMENT PROPERTY**

#### **KCS-EQ-AM-14**

*Amortization Amounts Effective: January 1, 2014*

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Kansas City Southern Railway Company (KCS) has submitted proposed amounts to be used to amortize the variance between book accumulated depreciation and the calculated guideline for equipment property. Life and salvage estimates supporting these amortization amounts were approved in conjunction with KCS-EQ-14.

The amortization amounts prescribed herein replace any depreciation amortization amounts previously prescribed for the subject property. Beginning on the effective date of this prescription, the railroad is prohibited from using any depreciation amortization amounts 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 amortize the variance between book accumulated depreciation and the calculated guideline for equipment property, owned and used in its operations, using the annual depreciation amortization amounts shown herein.
- (2) These annual depreciation amortization amounts shall be effective from **January 1, 2014, through December 31, 2016**, or until further order of the Board.

<b>ACCUMULATED DEPRECIATION ANNUAL AMORTIZATION AMOUNTS</b>		
<b>KCS EQUIPMENT PROPERTY</b>		
<b>A/C #</b>	<b>ACCOUNT NAME</b>	<b>Accumulated Depreciation Amortization*</b>
<b>52</b>	<b>Locomotives</b>	
01 & 02	Secondhand - Hulk	\$ 1,540,525
01 & 02	Secondhand - Components	3,073,458
01 & 02	Secondhand - Repower	136,963
02	New - Hulk	9,075
02	New - Components	93,909
<b>53</b>	<b>Freight Train Cars</b>	
02 & 03	Boxcar - 50'	(299,776)
02 & 03	Boxcar - 60'	62,475
04 & 05	Gondola	(10,747)
06	Covered Hopper	10,461
14	Flat Car	(23,654)
15	Tank Car	1,301
<b>57</b>	<b>Work Equipment</b>	(88,758)
<b>58</b>	<b>Miscellaneous Equipment</b>	
04	Other	50,064
03	Trucks	251,603
<b>59</b>	<b>Computers</b>	
	Hardware – 5 years	(366,163)
	Hardware – 7 years	678
	Software – 3 years	0
	Software – 5 years	0
	Software – 7 years	0

\* ( ) Indicates a debit to Accumulated Depreciation

Decided February 3, 2014, by the Surface Transportation Board, Accounting Board.