

SURFACE TRANSPORTATION BOARD

PRESCRIPTION OF DEPRECIATION RATES

for

KANSAS CITY SOUTHERN RAILWAY COMPANY

ROAD PROPERTY

KCS-RD-14

Rates Effective: January 1, 2014

Kansas City Southern Railway Company (KCS) has submitted depreciation rates for its road property (excluding track). 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 calculate annual depreciation accruals by applying to the ledger value of road property (excluding track), owned and used in its operations, the depreciation accrual rates shown herein.
- (2) These depreciation rates shall be effective from **January 1, 2014, to December 31, 2018**, or until further order of the Board.
- (3) The adequacy of the book accumulated depreciation for KCS road property will be addressed in a separate depreciation prescription.

KCS ROAD PROPERTY DEPRECIATION RATES	
ACCOUNT	DEPRECIATION ACCRUAL RATES
KCSR	
3. Grading	0.77
4. Other Right-Of-Way Expenditures	1.67
5. Tunnels and Subways	1.00
6. Bridges, Trestles and Culverts	1.11
13. Fences, Snow Sheds and Signs	1.54
16A. Stations and Office Buildings	2.22
16B. Furniture and Equipment	10.00
17. Roadway Buildings	1.82
19. Fuel Stations	3.33
20. Shops and Enginehouses	1.54
23. Wharves and Docks	4.00
25. TOFC/COFC Terminals	2.86
26. Communication Systems	4.00
27. Signals and Interlockers	2.86
31. Power Transmission Systems	2.00
35. Miscellaneous Structures	2.22
37. Roadway Machines	3.29
39A. Public Improvements Constr -- Crossings	2.00
39B. Public Improvements Constr – Other	2.00
44. Shop Machinery	2.71
MSLLC	
3. Grading	0.77
6. Bridges, Trestles and Culverts	1.11
13. Fences, Snow Sheds and Signs	1.54
17. Roadway Buildings	1.82
26. Communication Systems	4.00
27. Signals and Interlockers	2.86
39A. Public Improvements Constr -- Crossings	2.00
39B. Public Improvements Constr – Other	2.00
ST&T	
20. Shops and Enginehouses	1.54
44. Shop Machinery	2.71

Decided July 10, 2014, by the Surface Transportation Board, Accounting Board.